STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Bulletin 2012-10-INS

In the matter of

Health Plan Summary of Benefits
and Coverage Requirements
_____/

Issued and entered
this 31st day of May 2012
by R. Kevin Clinton
Commissioner

Regulations promulgated under the Patient Protection and Affordable Care Act ("ACA") require all group and individual health plans to compile and provide a summary of benefits and coverage ("SBC") and uniform glossary of terms that accurately describe the benefits and coverage available under a particular plan ("SBC regulations"). See 77 Fed. Reg. 8668 (Feb. 14, 2012).

Beginning September 23, 2012,SBCs must be provided in the following circumstances:

- Upon application. Whenever a plan or issuer distributes written application materials, the SBC must be provided with those materials. If the issuer or plan does not distribute written materials, the SBC must be provided no later than the first date on which a participant is eligible to enroll in coverage.
- By the first day of coverage (if there are any changes from the SBC provided with the written application materials).
- Special enrollees must be given an SBC no later than the date on which a summary plan description is required to be provided (90 days from enrollment).
- Upon renewal. An SBC must be provided at the same time as an open enrollment/open season materials. If renewal is automatic, then the SBC must be provided no later than 30 days prior to the first day of the new plan or policy year.
- Upon request. The SBC must be provided upon request as soon as practicable but no later than seven (7) business days following receipt of the request.
- When there is a material change in coverage during the plan year. In this instance, an updated SBC or a separate notice describing the material change ("notice of modification") must be provided 60 days prior to the change taking effect.

The SBC regulations require that an SBC and/or notice of modification be provided to participants and beneficiaries who enroll or re-enroll in group health coverage through an open enrollment period (including re-enrollees and late enrollees), beginning on the first day of the first open enrollment period that begins on or after September 23, 2012. For participants and beneficiaries who enroll in group health plan coverage other than through an open enrollment period, the SBC regulations apply on the first day of the first plan year that begins on or after September 23, 2012. For individuals and dependents in the individual market, the SBC regulations apply beginning September 23, 2012.

Instructions for accessing the uniform glossary must be included with the SBC. In addition, the uniform glossary will be made available on several government websites, including the Department of Labor's website and at HealthCare.gov. Carriers must provide a paper copy of the uniform glossary to policyholders within seven days of a request from a policyholder.

Entities regulated by OFIR may submit their SBCs and uniform glossary via SERFF as part of their regular form filing or as a separate filing, so long as they have done so by the applicable dates outlined above. Although large group plans that are not subject to regulation by OFIR are not required to submit their SBCs via SERFF, they should be aware that the Secretary of Health and Human Services will enforce the SBC regulations.

All entities should be aware that HHS may impose penalties per violation of the SBC regulations of up to $100 per day for each affected individual. In addition, an entity that willfully violates the SBC regulations is subject to a fine of up to $1,000 per day for each affected individual.

Any questions regarding this bulletin should be directed to:

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