



## Health and Human Services (HHS) Announces Proposed Rule for Uniform Benefit Summaries

*The following information, provided by The Department of Health and Human Services (HHS), is being sent as a courtesy to keep you informed on the status of the Health Care initiatives taking place in our government.*

On August 17, the Department of Health and Human Services (HHS) released a Notice of Proposed Rulemaking for Uniform Benefit Summaries under the Patient Protection and Affordable Care Act (PPACA).

The intent of Uniform Benefit Summaries is to provide individuals with standard information so they can review medical plans, compare insurers, and make decisions about which medical plan to choose. The proposed rule provides additional guidance on **the information that must be provided to all individuals enrolling in a medical plan on or after March 23, 2012.**

This provision applies to individual and employer-sponsored medical plans, regardless of grandfathered status or funding. It does not apply to retiree-only plans or to standalone dental and vision plans.

If you have a fully-insured plan, your insurance carrier will be responsible for creating and providing these summaries.

If you have a self-funded plan, you as the employer are responsible for creating and providing these summaries. Please review the specifics below.

- Summaries must be provided when an employer or individual requests information about a plan, applies for coverage, or enrolls in a plan. They must also receive a summary if there are plan changes or if the individual has a HIPAA special enrollment event that prompts a new enrollment opportunity.
- People enrolled in a health plan must be notified of any significant changes to the terms of coverage reflected in the Summary of Benefits and Coverage at least 60 days prior to the effective date of the change. This timing applies only to changes that become effective during the plan or policy year but not to changes at renewal (the start of the new plan or policy year).
- Summaries are required both before and after enrollment and may be delivered in paper and/or

electronic format. There are specific requirements for group vs. individual plans.

- The penalty for 'willful' non-compliance is up to \$1,000 per enrollee for each failure to comply

### What Information Must be Included

Insurers and self-insured employers must provide a Summary of Benefits and Coverage (also referred to as an 'SBC' in the proposed rule) to individuals who apply for and enroll in medical plans. The Summary of Benefits and Coverage is a required document that must be provided in the standard format.

There are four standard components:

- A four-page Benefit Summary (double sided)
- Medical Scenarios called "Coverage Examples" that are patterned after the Food and Drug Administration food labels. They estimate customer costs based on the specific plan's benefits for three medical scenarios – Maternity, Breast Cancer Treatment and Managing Diabetes
- A standard glossary of medical and insurance terms
- A phone number and website where individuals can get additional information including documents such as Certificates, Summary Plan Descriptions (SPDs) and policies

The Benefit Summary must be a freestanding document and may not be incorporated into any other document. Supplemental communication materials may be provided with it. Currently produced documents will not satisfy the requirements of the regulation

National Association of Insurance Commissioners (NAIC) provides guidance on the format for the four components in the Summary of Benefits and Coverage. The information on the NAIC website is not a guideline or example. It is the **exact** wording, format and layout that must be used. Insurers and employers will just insert plan details into the predetermined rows and columns. Here is a link to the documents proposed by NAIC: [http://www.naic.org/committees\\_b\\_consumer\\_information.htm](http://www.naic.org/committees_b_consumer_information.htm).

A completed sample Summary of Benefits and Coverage is attached to this notice. There are multiple format samples located on the NAIC website.

*If you have any questions, please contact your HARDEN Employee Benefits Account Manager.*

#### Sources:

U.S. Department of Labor; Technical Release 2011-01. <http://www.dol.gov/opa/media/press/ebsa/EBSA20111232.htm>

# PPO Plan 1: Insurance Company 1

Summary of Coverage: What this Plan Covers & What it Costs

Policy Period: 1/1/2011 – 12/31/2011

Coverage for: Individual + Spouse | Plan Type: PPO



**This is not a policy.** You can get the policy at [www.insurancecompany.com/PLAN1500](http://www.insurancecompany.com/PLAN1500) or by calling 1-800-XXX-XXXX.

A policy has more detail about how to use the plan and what you and your insurer must do. It also has more detail about your coverage and costs.

Important Questions	Answers	Why this Matters:
What is the <b>premium</b> ?	<b>\$481</b> monthly	The <b>premium</b> is the amount paid for health insurance. This is only an estimate based on information you've provided. After the insurer reviews your application, your actual premium may be higher or your application may be denied.
What is the overall <b>deductible</b> ?	<b>\$2,500</b> person / <b>\$7,500</b> family Doesn't apply to preventive care	You must pay all the costs up to the <b>deductible</b> amount before this health insurance plan begins to pay for covered services you use. Check your policy to see when the <b>deductible</b> starts over (usually, but not always, January 1st). See the chart starting on page 2 for how much you pay for covered services after you meet the <b>deductible</b> .
Are there other <b>deductibles</b> for specific services?	Yes; <b>\$300</b> for pharmacy expenses	You must pay all of the costs for these services up to the specific deductible amount before this plan begins to pay for these services.
Is there an <b>out-of-pocket limit</b> on my expenses?	Yes. <b>\$2,500</b> person / <b>\$7,500</b> family	The <b>out-of-pocket</b> limit is the most you could pay during a policy period for your share of the cost of covered services. This limit helps you plan for health care expenses.
What is <b>not included</b> in the <b>out-of-pocket limit</b> ?	Co-payments, premium, balance-billed charges, prescription drugs, and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the <b>out-of-pocket limit</b> . So, a longer list of expenses means you have less coverage.
Is there an overall <b>annual limit</b> on what the insurer pays?	No.	The chart starting on page 2 describes any limits on what the insurer will pay for specific covered services, such as office visits.
Does this plan use a <b>network</b> of providers?	Yes. See <a href="http://www.insurancecompany.com">www.insurancecompany.com</a> for a list of participating doctors and hospitals.	If you use an <b>in-network</b> doctor or other health care provider, this plan will pay some or all of the costs of covered services. Plans use the term <b>in-network</b> , <b>preferred</b> , or <b>participating</b> for providers in their network.
Do I need a referral to see a <b>specialist</b> ?	No. You don't need a referral to see a specialist	This plan will pay some or all of the costs to see a <b>specialist</b> for covered services but only if you have the plan's permission before you see the specialist.
Are there services this plan doesn't cover?	Yes.	Some of the services this plan doesn't cover are listed in the "Excluded Services & Other Covered Services" section.

**Questions:** Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

If you aren't clear about any of the terms used in this form, see the Glossary at [www.insuranceterms.gov](http://www.insuranceterms.gov).

# PPO Plan 1: Insurance Company 1

Summary of Coverage: What this Plan Covers & What it Costs

Policy Period: 1/1/2011 – 12/31/2011

Coverage for: Individual + Spouse | Plan Type: PPO



- **Co-payments** are fixed dollar amounts (for example, \$15) you pay for covered health care, usually when you receive the service.
- **Co-insurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. You pay this plus any deductible amounts you owe under this health insurance plan. For example, if the health plan's allowed amount for an overnight hospital stay is \$1,000 and you've met your deductible, your co-insurance payment of 20% would be \$200. If you haven't met any of the deductible and it's at least \$1,000, you would pay the full cost of the hospital stay.
- The plan's payment for covered services is based on the **allowed amount**. If an **out-of-network provider** charges more than the allowed amount, you may have to pay the difference. For example, if an out-of-network hospital charges \$1,500 for an overnight stay and the allowed amount is \$1,000, you may have to pay the \$500 difference. (This is called **balance billing**.)
- This plan may encourage you to use participating **providers** by charging you lower deductibles, co-payments and co-insurance amounts.

Common Medical Event	Services You May Need	Your cost if you use a		Limitations & Exceptions
		Participating Provider	Non-Participating Provider	
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	\$35 co-pay/visit	40% co-insurance	—————none—————
	Specialist visit	\$50 co-pay/visit	40% co-insurance	—————none—————
	Other practitioner office visit	20% co-insurance for chiropractor acupuncture	40% co-insurance for chiropractor and acupuncture	—————none—————
	Preventive care/screening/immunization	\$0	40% co-insurance	
If you have a test	Diagnostic test (x-ray, blood work)	0% co-insurance	40% co-insurance	—————none—————
	Imaging (CT/PET scans, MRIs)	0% co-insurance	40% co-insurance	—————none—————
If you need drugs to treat your illness or condition  More information about drug coverage is at <a href="http://www.insurancecompany.com/prescriptions">www.insurancecompany.com/prescriptions</a> .	Generic drugs	\$10 co-pay (retail); \$10 co-pay (mail order)	40% co-insurance	Covers up to a 30-day supply (retail prescription); 31-90 day supply (mail order prescription)
	Preferred brand drugs	20% co-insurance (retail and mail order)	40% co-insurance	—————none—————
	Non-preferred brand drugs	40% co-insurance (retail and mail order)	60% co-insurance	—————none—————
	Specialty drugs (e.g., chemotherapy)	0% co-insurance		—————none—————

**Questions:** Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

If you aren't clear about any of the terms used in this form, see the Glossary at [www.insuranceterms.gov](http://www.insuranceterms.gov).

# PPO Plan 1: Insurance Company 1

Summary of Coverage: What this Plan Covers & What it Costs

Policy Period: 1/1/2011 – 12/31/2011

Coverage for: Individual + Spouse | Plan Type: PPO

Common Medical Event	Services You May Need	Your cost if you use a		Limitations & Exceptions
		Participating Provider	Non-Participating Provider	
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	0% co-insurance	40% co-insurance	_____none_____
	Physician/surgeon fees	0% co-insurance	40% co-insurance	_____none_____
If you need immediate medical attention	Emergency room services	0% co-insurance	40% co-insurance	_____none_____
	Emergency medical transportation	0% co-insurance	40% co-insurance	_____none_____
	Urgent care	0% co-insurance	40% co-insurance	_____none_____
If you have a hospital stay	Facility fee (e.g., hospital room)	0% co-insurance	40% co-insurance	_____none_____
	Physician/surgeon fee	0% co-insurance	40% co-insurance	_____none_____
If you have mental health, behavioral health, or substance abuse needs	Mental/behavioral health outpatient services	0% co-insurance	40% co-insurance	After 8 visits, not covered.
	Mental/behavioral health inpatient services	0% co-insurance	40% co-insurance	_____none_____
	Substance abuse disorder outpatient services	0% co-insurance	40% co-insurance	_____none_____
	Substance abuse disorder inpatient services	0% co-insurance	40% co-insurance	_____none_____
If you have a recovery or other special health need	Home health care	0% co-insurance	40% co-insurance	_____none_____
	Rehabilitation services	0% co-insurance	40% co-insurance	_____none_____
	Habilitation services	0% co-insurance	40% co-insurance	_____none_____
	Skilled nursing care	0% co-insurance	40% co-insurance	_____none_____
	Durable medical equipment	0% co-insurance	40% co-insurance	_____none_____
	Hospital service	0% co-insurance	40% co-insurance	_____none_____
If your child needs dental or eye care	Eye exam	Not covered	Not covered	_____none_____
	Glasses	Not covered	Not covered	_____none_____
	Dental check-up	Not covered	Not covered	_____none_____

Questions: Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

If you aren't clear about any of the terms used in this form, see the Glossary at [www.insuranceterms.gov](http://www.insuranceterms.gov).

# PPO Plan 1: Insurance Company 1

Summary of Coverage: What this Plan Covers & What it Costs

Policy Period: 1/1/2011 – 12/31/2011

Coverage for: Individual + Spouse | Plan Type: PPO

## Excluded Services & Other Covered Services:

### Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy for others.)

- Bariatric surgery
- Non-emergency care when traveling outside of the U.S.
- Cosmetic surgery
- Dental care (child/adult)
- Infertility treatment
- Long-term care
- Private-duty nursing
- Routine eye care (child/adult)
- Routine foot care
- Routine hearing tests
- Weight loss programs

### Other Covered Services (This isn't a complete list. Check your policy for other covered services and your costs for these services.)

- Acupuncture
- Chiropractic care
- Hearing aids

## Your Rights to Continue Coverage:

You can keep this insurance as long as you pay your premium unless one or more of the following happens:

- you commit fraud
- the insurer stops offering services in the state
- you move outside the coverage area

## Your Grievance and Appeals Rights:

- A **grievance** is a complaint you have about your health insurer or plan. You have the right to file a written complaint to express your dissatisfaction or denial of coverage for claims under this health insurance. Call 1-800-XXX-XXXX or visit [www.XXXXXXXXXXXXXX.com](http://www.XXXXXXXXXXXXXX.com).
- An **appeal** is a request for your health insurer or plan to review a decision or a grievance again. For more information on the appeals process, call your state office of health insurance customer assistance at: 1-800-XXX-XXXX or visit [www.XXXXXXXXXXXXXX.gov](http://www.XXXXXXXXXXXXXX.gov).

—————*To see examples of how this plan might cover costs for a sample medical situation, see the next page.*—————

**Questions:** Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

If you aren't clear about any of the terms used in this form, see the Glossary at [www.insuranceterms.gov](http://www.insuranceterms.gov).

## About these Examples of Plan Coverage:

These examples show how this plan might cover medical care in three situations.

Use these examples to see, in general, how much insurance protection you might get from different plans.



### Important

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care also will be different.

### ? Questions

Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

### Having a baby

**Amount owed to providers:**  
\$10,000

- Plan pays \$9,000
- You pay \$1,000

#### Sample care costs:

First office visit	\$100
Radiology	\$300
Laboratory tests	\$200
Routine obstetric care	\$2,000
Hospital charges (mother)	\$4,100
Hospital charges (baby)	\$1,900
Anesthesia	\$1,000
Circumcision	\$200
Vaccines, other preventive	\$200

#### You might pay:

Deductibles	\$900
Co-pays	\$100
Co-insurance	\$0
Benefit limits or exclusions	\$0

### Treating breast cancer

**Amount owed to providers:**  
\$98,000

- Plan pays \$94,800
- You pay \$3,200

#### Sample care costs:

Office visits & procedures	\$4,000
Radiology	\$4,000
Laboratory tests	\$2,400
Hospital charges	\$3,300
Inpatient medical care	\$200
Outpatient surgery	\$3,400
Chemotherapy	\$64,000
Radiation therapy	\$13,000
Prostheses (wig)	\$500
Pharmacy	\$2,000
Mental health	\$1,200

#### You might pay:

Deductibles	\$2,500
Co-pays	\$200
Co-insurance	\$0
Benefit limits or exclusions	\$500

### Managing diabetes

**Amount owed to providers:**  
\$7,800

- Plan pays \$6,800
- You pay \$1,000

#### Sample care costs:

Office visits & procedures	\$960
Laboratory tests	\$300
Medical equipment & supplies	\$40
Pharmacy	\$6,500

#### You might pay:

Deductibles	\$300
Co-pays	\$260
Co-insurance	\$400
Benefit limits or exclusions	\$40

## More information about Examples of Plan Coverage:

### Using these examples

You should receive a Summary of Coverage for plan(s) you are considering.

Compare the examples in the “Examples of Plan Coverage” section with the examples for other plans. The treatment plan and related costs for each condition are the same for all plans to allow comparison between plans. However, the portion of the costs you pay may differ, depending on the plan’s cost sharing rules and benefit limits.

When you compare the examples from plan(s) you are considering, ask yourself:

*Would I be comfortable paying the share of expenses shown in these examples?*

*Which plan pays a share of costs that I am comfortable with, and charges a premium I can afford?*

### Important things to know about these examples

These examples are designed to help you compare different plans. They aren’t meant to give complete or specific costs.

While these examples can help you see the different levels of coverage in different plans, you can’t use them to estimate costs for an actual condition. The care you would receive for a condition could be different, based on your doctor’s advice, your age, how serious your condition is, the prices your providers charge, and the charges your plan allows.

These examples are based on the following assumptions:

- The costs don’t include premiums.
- Your condition was not an excluded, pre-existing condition.
- There are no other medical expenses for any member covered under this plan. Out-of-pocket expenses are based only on treating the condition in the example.

- You received all care from in-network providers. If you had received care from out-of-network providers, costs would have been higher.
- All services and treatments started and ended in the same policy period.

### Why were costs higher the out-of-pocket limit in some examples?

When you receive treatment that a plan doesn’t cover, the amount you pay doesn’t count toward the out-of-pocket limit (OOP). Also, plans may have co-payments, special deductibles, or other costs that don’t count toward the OOP. For example, a plan might limit mental health visits to 8 per year. The breast cancer example is based on more than 8 visits, so the costs of visits after the 8<sup>th</sup> one wouldn’t count toward OOP.

### For more information

If you have other questions about what a plan covers, please call us toll-free at 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

## Choosing a plan:

You want a plan that gives you the coverage you need at a cost you can afford. This Summary of Coverage can help you compare plans.

- ✓ Compare the specific coverages and exclusions listed in the chart starting on page 2. See which plan best meets your needs.
- ✓ Compare the “Examples of Plan Coverage” to see which plan pays a share you are most comfortable with.
- ✓ Finally, consider other costs when you compare plans, such as your premium and also take into account contributions to medical accounts such as health reimbursement accounts (HRAs), health savings accounts (HSAs), or flexible spending accounts (FSAs) that help you pay out-of-pocket expenses. Your agent, broker, or employer can help you determine how these impact your overall costs.

**Questions:** Call 1-800-XXX-XXXX or visit us at [www.insurancecompany.com](http://www.insurancecompany.com).

If you aren’t clear about any of the terms used in this form, see the Glossary at [www.insuranceterms.gov](http://www.insuranceterms.gov).