



REFORM UPDATE

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EFFECTIVE DATE DELAYED FOR NEW SBC TEMPLATES

The Affordable Care Act (ACA) added the Summary of Benefits and Coverage (SBC), a new responsibility for employers. Employers and insurance carriers must send SBCs to eligible employees at different points during the year. SBCs must be integrated into the communication process for newly eligible individuals and also provided to employees during annual benefits enrollment.

The government issued new regulations on SBCs earlier this year. Details on the new regulations can be found at http://mcgrawwentworth.com/wp-content/uploads/Reform_Update_99.pdf. These regulations modified the SBC template and added a third coverage example.

The new rules were initially scheduled to apply to plans as of the first day of the first plan year beginning on or after January 1, 2016. The new template would also have to be used for annual open enrollment occurring on or after September 1, 2015.

The government recently responded to a Frequently Asked Question (FAQ) regarding the new SBC requirements. Stakeholders are interested in when the new template and information related to the new coverage example will become available.

The government wants to test the revised template with consumers and obtain more feedback from key stakeholders. They anticipate that the new template and additional information will be finalized in January 2016. As a result, the effective date for the new SBC must be pushed back. The revised template will now be required as of the first day of the first plan year beginning on or after January 1, 2017. It must also be provided during the annual enrollment period associated with the 2017 plan year. For example, assume an employer has a calendar-year plan year. The new template must be used for annual enrollment in the fall of 2016, as well as distributed to newly eligible employees on or after January 1, 2017.

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