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Summary of Benefits & Coverage - Frequently Asked Questions

Introduction

This document is intended to provide an overview of how Regence BlueShield will comply with the Summary of Benefits & Coverage requirements outlined in the Affordable Care Act. Responses to the questions below are based on the latest federal guidance. As implementation requirements are changed or clarified, responses to the questions below are also subject to change.

Click on any of the links below to jump to the corresponding section:

- 1. General Questions**
- 2. Individual Market Questions**
- 3. Fully Insured Group Market Questions**
- 4. Self-Insured Group Market Questions**
- 5. Association & Trust Questions**

General Questions

Q1. What is a summary of benefits & coverage (SBC)?

A1. As a requirement of the Affordable Care Act, the SBC is an 8-page document that must be produced and provided to health insurance shoppers and enrollees. It has strict content and formatting requirements, and provides a description of health coverage and benefit exclusions. SBCs are required to follow a consistent format in order to allow for easy comparison of coverage options. Additional information about SBCs, including a sample SBC, is available on the Center for Consumer Information & Insurance Oversight [web page](#).

Q2. When must insurers start providing SBCs?

A2. The effective date for overall SBC requirements is September 23, 2012. However, different triggers for SBC production and distribution have different effective dates, depending on the type of coverage (Individual, Fully Insured Group and Self-Insured Group). More detail on SBC triggers is provided in subsequent answers.



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Q3. *Can SBCs be provided electronically?*

A3. Yes, the regulations permit SBCs to be provided electronically under a variety of circumstances. We will provide electronic SBCs in a format that allows them to be saved or printed for future reference (for example, PDF). Hard copy SBCs will also be made available free of charge upon request.

Q4. *I have dental only or vision only coverage. Will I receive an SBC?*

A4. Dental only or vision only coverage is not subject to SBC requirements. However, Regence has decided to implement benefit summaries with the same look and feel as SBCs for its dental only and vision only products to avoid the inefficiency of maintaining multiple systems and processes. The date when existing dental only and vision only benefit summaries will be discontinued is yet to be determined. Once the SBC-like format is adopted, dental only and vision only coverage summaries will likely differ somewhat in content and format from standard SBCs.

Individual Market Questions

Q5. *When will SBCs be implemented for the Individual insurance market?*

A5. We will begin providing SBCs to shoppers in the Individual market who apply for coverage on or after September 23, 2012. Members in the Individual market whose coverage renews on or after September 23, 2012 will also receive SBCs. Members enrolled in Individual coverage who make a request for an SBC on or after September 23, 2012 will receive an SBC within seven business days. Please see the chart below for a summary of when we will provide SBCs.

Q6. *Will I receive an SBC if I submit an application without making a product selection?*

A6. No, we will not provide an SBC if you do not make a product selection on your application. We will consider the application incomplete, and you will receive a request to update your application to include a product selection. Once we have received your product selection, we will provide an SBC for that product.

Scenario	SBC provided?
Application for coverage received by the carrier prior to 9/23/2012	No
Application for coverage received by the carrier on or after 9/23/2012	Yes
Individual insurance policy renews prior to 9/23/2012	No
Individual insurance policy renews on or after 9/23/2012	Yes
SBC requested of the carrier prior to 9/23/2012	No
SBC requested of the carrier on or after 9/23/2012	Yes



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Fully Insured Group Market Questions

- Q7. *When will new groups begin to receive SBCs?*
- A7. We will provide SBCs to groups shopping for coverage if an application is received on or after September 23, 2012. If a new group has decided to purchase coverage, its eligible employees will receive SBCs by the start of their open enrollment period (OEP) if the OEP begins on or after September 23, 2012. Please see the chart at the end of this section for a summary of when we will provide SBCs.
- Q8. *When will the employees of renewing groups begin to receive SBCs?*
- A8. We will begin providing SBCs to renewing groups whose OEPs begin on or after September 23, 2012. Renewing groups whose OEPs begin before that date will receive renewal materials we currently provide, which we've carefully designed to help group members make the best possible coverage choices for themselves and their families. Please see the chart at the end of this section for a summary of when we will provide SBCs.
- Q9. *When will new hire employees begin receiving SBCs?*
- A9. New hires will be entitled to receive an SBC for the plans for which they are eligible if the group's current plan year began on or after September 23, 2012. If the group's current plan year began before September 23, 2012, new hires will receive the open enrollment materials we currently provide, even if the new hire becomes eligible for coverage after September 23, 2012. Regence will make the appropriate enrollment materials available to group administrators for them to provide to new employees. Please see the chart at the end of this section for a summary of when we will provide SBCs.
- Q10. *When will group employees begin receiving SBCs upon request?*
- A10. Group employees currently enrolled in Regence coverage who make a request of the carrier for an SBC on or after September 23, 2012 will be provided an SBC for coverage in which they are currently enrolled or eligible to enroll within seven business days of their request. Employees not currently enrolled in Regence coverage will be referred to their group administrator for SBCs, since Regence will not be able to verify the eligibility of these employees for coverage.



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Q11. *Will Regence provide SBCs directly to group employees, or will Regence have group administrators distribute SBCs?*

A11. Regence will produce and distribute SBCs directly to employees who are already enrolled in coverage with us. New enrollees will be referred to their group administrator for SBCs.

Q12. *Do groups that purchase health coverage through Regence and prescription coverage through another vendor need to provide a combined SBC for medical and pharmacy coverage?*

A12. Eventually, employer groups that purchase medical coverage from one vendor and pharmacy coverage from another will have responsibility for providing combined SBCs for their employees. However, federal guidance indicates that it is permissible for employers to provide separate SBCs for pharmacy and medical coverage under these circumstances for the first year of applicability (that is, until at least September 2013).

Q13. *Who should group members contact to request an SBC?*

A13. Employees currently enrolled in Regence coverage should call the customer service number located on their Member ID card. Employees not currently enrolled in Regence coverage should contact their group administrator for SBCs.

Q14. *As a producer (agent), where can I access copies of SBCs for companies I represent?*

A14. Producers (agents) can access SBCs at the Regence Agent Center web site.

Scenario	SBC provided?
Group members begin enrolling in coverage during an open enrollment period (OEP) starting 9/1/2012	No
Group members begin enrolling in coverage during an OEP starting 10/1/2012	Yes
New employee becomes eligible for coverage on 11/1/2012, and his or her group's current plan year started on 9/1/2012	No
New employee becomes eligible for coverage on 12/1/2012, and his or her group's current plan year started on 10/1/2012	Yes



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Self-Insured Group Market Questions

- Q15. *In the self-insured market, who has legal responsibility for providing SBCs? The group or the third party administrator (TPA)?*
- A15. Under the regulations, self-insured groups have legal responsibility for producing and distributing SBCs to their employees.
- Q16. *Will Regence assist self-insured groups with producing SBCs?*
- A16. Regence will create draft SBCs for a self-insured group if we currently produce the group's draft summary plan descriptions (SPDs). Groups whose draft SPDs we do not produce will have responsibility for generating their own SBCs. However, we are willing to work with self-insured groups to explore the types of support we can offer. In any event, self-insured groups will retain all compliance-related liability.
- Q17. *Will Regence charge self-insured groups for producing SBCs?*
- A17. We do anticipate charging a fee for the service of producing SBCs.

Association & Trust Questions

- Q18. *Will association member companies receive SBCs?*
- A18. Member companies of bona fide associations will not receive SBCs. To fulfill the SBC requirement, Regence is responsible for providing SBCs to the contract holder (in the case of bona fide associations, this would be the association benefit trust itself). For non-bona fide associations, Regence will treat member companies the same as non-association groups and will therefore provide SBCs to member company group administrators. At this time, no Regence association has been deemed non-bona fide.
- Q19. *Where can association member companies get SBCs?*
- A19. Generally, SBCs will be made available on associations' benefit trust web sites. Please contact your general agent for more information.



- Q20. Will employees of association member companies receive SBCs?*
- A20. Yes, renewing employees of association member companies will receive SBCs directly from Regence in connection with the association's renewal (for the first open enrollment period beginning on or after September 23, 2012, when the association's renewal is November 1, 2012 or later). Group administrators will have responsibility for distributing appropriate SBCs to new hire employees and others who are newly eligible for coverage. Associations will have responsibility for making the appropriate SBCs available to group administrators of new companies that may have joined the association.
- Q21. What happens if an association member company makes a change to its benefits upon its renewal (if the member company and the association have different renewal dates)?*
- A21. If an association member company changes benefits upon its renewal, the association benefit trust or member company will have responsibility for distributing revised SBCs to employees impacted by the benefit changes. All SBCs for the association will be available on the association's benefit trust web site. Please contact your general agent for further information.
- Q22. When should employees of association member companies expect to receive SBCs?*
- A22. Distribution of SBCs to employees of bona fide association member companies will occur no later than 30 days prior to the member company's renewal. We will provide notice of benefit changes adopted by association member groups outside of the association's renewal by way of coverage endorsements. The exact process for providing coverage endorsements is in development. State and federal mandates are effective at the association's renewal for all member companies regardless of their renewal date. Member companies whose renewal date shares the association's will receive new SBCs with the mandates. Member companies whose renewal date is other than the association's will receive an endorsement to their current SBC, which notes the mandated changes.
- Q23. When will SBCs be available by request to employees of association member companies?*
- A23. SBCs will be available on request to existing members of associations whose renewal date is on or after November 1, 2012. New employees of association member groups will be referred to their group administrator for SBCs, since we will not be able to verify the eligibility of new employees.



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- Q24. When will new hires of association member companies begin receiving SBCs?*
- A24. New hire employees of association member companies will receive SBCs if the association's current plan year began on or after September 23, 2012. For member groups whose renewal date is different from the parent association/trust renewal date (rolling 12 renewals), the parent association's/trust's renewal date will determine whether SBCs will be provided. For associations whose current plan year began on or after September 23, 2012, SBCs will be made available to group administrators, who will have responsibility for distributing the appropriate SBCs to new hire employees.
- Q25. Who should employees of association member companies call to request an SBC?*
- A25. Employees currently enrolled in Regence coverage should call the customer service number located on their Member ID card. Employees not currently enrolled in coverage with Regence should contact their group administrator for SBCs.
- Q26. As a producer (agent), where can I access copies of SBCs for association member companies I represent?*
- A26. Producers (agents) can access general SBCs on the association's benefit trust web sites. Please contact your general agent for further information.

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Health insurers continue to receive information from HHS regarding the health care reform law. The information provided in this document should not be construed as legal advice.