

October 13, 2011

Comments Regarding the Summary of Benefits and Coverage and Uniform Glossary

Dear EBSA:

I am the Administrative Manager of a union sponsored, self-insured health care plan covering about 3,600 employees and 6,000 dependents. I am respectfully submitting these comments.

Congratulations on the proposed SBC template and instructions and Glossary! It is the best government-sponsored participant communication that I have seen in 30 years of benefit work! These communication tools appear likely to produce better understanding by participants as intended.

Editorial comments:

1. As you anticipated, terms like "Policy Period" and "Insurance Company" should be made flexible for self-insured plans to use terms such as "Plan Year" and "Health Plan."
2. As a group health plan administrator I am concerned that the premium "Answers" box will not contain the statement proposed in the instructions, "Please contact your employer for your share of the premium amount." Perhaps combining the "Answers" column and the "Why this Matters" column for this question only would be appropriate. In addition, the statement itself is inadequate in the case of Section 125 plans where the menu of choices such as medical, dental, vision, life insurance and Long Term Disability are priced separately against a global employer contribution. A better statement would be more general such as, "Please contact your employer for plan cost information".
3. On page 2, I would prefer to have the word "outpatient" added to the "Common Medical Event" description for "If you need drugs to treat your illness or condition." Drugs while an inpatient are generally billed the same as hospital charges. In addition I would ask for enough flexibility to use categories of drugs other than "Generic, Preferred brand and Non preferred brand." The categories for our plan are Generic, Brand (no generic available) and Brand (generic available). This produces a benefit based on therapeutics as determined by physicians rather than drugs being on some PBM's favorites list.
4. For drugs we have the same benefit for Participating and Non-Participating Providers. We would like the flexibility to combine columns especially since we have to provide both retail and mail order co-pays.

5. For items not covered under the plan, but covered elsewhere in the employer's benefit package, we would like the flexibility to say "check with employer" rather than "not covered."
6. For "Other Covered Services" we would like to add some that are not shown (we cover orthodontia in our medical plan). We would also like to add some explanation, for instance, we cover hearing aids to age 19.
7. We would need to have some indication of grandfathered plan status in order to be in technical compliance with the requirements of the law (my unlicensed opinion).

#### Comments regarding the Uniform Glossary

1. Under Habilitation services you are describing some services that would seem to be maintenance rather than therapy for acute medical needs. Most plans only pay for acute conditions rather than maintenance and custodial care. In addition, I believe you are looking for speech-language therapy rather than speech language pathology, although a speech language pathologist is providing the service.
2. In the Glossary you use the term Preferred Provider and Non-Preferred Provider. In the SBC you use the term Participating Provider and Non-Participating Provider in the column headings. These should be consistent or at least have the definition of one include the definition of the other. This comment also relates to Participating/Non-Participating Provider Co-pay and Co-insurance in the SBC and the Out-of-network, In-network Co-pay, and Co-insurance in the Glossary. Please be consistent.
3. The UCR definition should be expanded to include the term "reasonable and customary" which is more modern.
4. Under "Skilled Nursing Care" you seem to be defining the services that would be provided under a long-term care plan rather than a medical plan. Most medical plans do not cover nursing home expenses other than for convalescent care following surgery.

These are the very few comments I have on these items. It is quite a good product. As to the timing, it would not appear to make sense for group health plans to require this any sooner than the first day of the open enrollment period following March 23, 2011.

Sincerely,

Alfred F. Cain, FMLI, CLU, CEBS, MBA