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# Society of Professional Benefit Administrators

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Office of Health Plan Standards and Compliance Assistance  
Employee Benefits Security Administration  
Room N-5653  
U.S. Department of Labor  
200 Constitution Ave NW  
Washington, DC 20210  
Attention: RIN 1210-AB52

RE: Comments to the Summary of Benefits and Coverage and the Uniform Glossary  
RIN 1210-AB52

Dear Department of Labor:

These comments on the Department of Labor, (DOL) Summary of Benefits and Coverage and the Uniform Glossary; Notice of Proposed Rulemaking (NPRM) are submitted on behalf of the Society of Professional Benefit Administrators (SPBA).

SPBA is the national association of Third Party Administration (TPA) firms that are hired by employers and employee benefit plans to provide outside professional management of their employee benefit plans. It is estimated that 55% of US workers in non-federal health coverage are in plans administered by some form of TPA. The clients of TPA firms include every size and format of employment, including large and small employers, state/county/city plans, union, non-union, collectively bargained multiemployer plans, as well as plans representing religious entities.

PPACA requirements are putting a significant strain on the benefits industry and the current March 23, 2012 deadline is fast approaching. With several key issues unresolved, we are requesting a delay in the effective date of the Summary of Benefits requirement for at least a year, and then have it applicable only at renewal of the group. Below are some of the key issues outstanding.

1. It appears that the proposed Summary of Benefits template was created from the fully-insured point of view, but the vast majority of US health plans are self-funded. The error is understandable since NAIC works with state insurance departments in their management of the fully-insured health marketplace, so its approach envisions fully-insured plans. Under ERISA's preemption provisions, state insurance departments generally do not have authority over self-funded welfare benefit plans.
2. The terminology used in self-funded programs does not usually coincide with that used by insurance carriers in their fully-insured policies of insurance.
3. The template is not user friendly for the self-funded plan sponsor nor for third party administrators that will be managing the process for their employer clients. Using the template in the suggested version from the NAIC, with persons who will be covered by a self-funded program, could lead them to believe that the program they are looking at is a fully-insured program, which it would not be.

Providing a self-funded version of the Summary will help dissuade them of such a belief. Keeping this clarification has been a priority of NAIC for years, so proceeding with the template would be a step backward.

4. Finally, a lot of employee time will be required to create these Summaries. In the self-funded market each plan has customized features. They are not the standard plans used by many insurance carriers. Each summary will have to be individually crafted at a significant expense to the self-funded employer. If an employer has an indemnity plan, PPO plan, and a High Deductible HSA compatible plan, with 4 tiers of coverage each (single, single and spouse, single and children, and family) the number of separate Summaries multiplies quickly.

For an in-depth look into some suggested changes to the NAIC developed SBC, please reference the letters submitted by SPBA members Wallace Gray of Key Benefits Administrators, Inc. and Andrea Gambardella of Stirling Benefits, Inc. Their letters detail the changes needed for self-funded plans and include a redlined version of the SBC that reflects changes they are suggesting to make it more applicable to self-funded plans.

We thank you for your consideration to give us the time and opportunity to improve compliance with the changes that fit self-funded benefit plans and we look forward to a positive response to our suggestions.

Respectfully submitted,

Rhonda Reed  
Regulatory and Legislative Analyst  
Society of Professional Benefit Administrators