



GROUP & PENSION ADMINISTRATORS, INC.

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Sent via email to: E-OHPSCA2715.EBSA@dol.gov

Department of Labor
Office of Health Plan Standards and Compliance Assistance
Employee Benefit Security Administration
Room N-5653
200 Constitution Avenue NW
Washington, DC 20210

Dear Department of Labor,

Thank you for the opportunity to comment on the Summary of Benefits and Coverage and the Uniform Glossary (SBC). Since the passage of the health care reform legislation, your agency has had a difficult job to produce so many regulations in a short period of time and we appreciate the consideration of “real world” impacts that these regulations have that you are giving.

We are a third party administrator of group health plans (mostly ERISA but some non-Federal governmental entities) predominately located in the Southwest but with locations and/or lives in all 50 states. These group health plans represent over 200 employers with around 162,500 plan participants.

PPACA requirements are putting a significant strain on the benefits industry and, for self-funded health plans, employers. The way the current regulations are written, these employer plans will be struggling with producing a SBC that has several unresolved issues on a rapidly approaching March 23, 2012 deadline. We respectfully request a delay to this effective date. It seems that congressional intent was for health plans to begin using the SBC 12 months after the model was produced as evidenced by the tasking of HHS to create it by March 23, 2011 and plans to begin using it March 23, 2012. Since the model was not released until August 22, 2011, it stands to reason that the production of the SBC would not be due until at least August 22, 2012. We would request that the supplying of the SBC be phased in with a rolling effective date. The application of PPACA happened to plans beginning on their effective date or first renewal after 09/23/10. It would make sense if the production of the SBC be on the group’s effective date or renewal after August 22, 2012. We feel this would be more effective as the information that is being asked to be conveyed would be useful information to have during an enrollment/renewal period.

It does appear as if the proposed SBC was created from the fully-insured perspective. With surveys finding that anywhere from 55% to 65% of people covered are covered under a self-funded arrangement, this does seem curious. The terminology that self-funded plans and fully-insured plans use are frequently different. For example, fully-insured may refer to the person as a “member” or a “subscriber” whereas a self-funded plan would call them a “Plan Participant”. Fully-insured plans have “premiums” whereas self-funded plans have “employee contributions”.

So as not to mislead people, it would seem that a model notice for a fully-insured plan and a model notice for a self-funded plan would need to be developed. A self-funded plan has to specifically say that it is NOT an insurance plan. Creating SBC that mirror a fully-insured one would seem to undermine this. NAIC has wanted to keep that distinction for years so it seems inconsistent that they would not want to continue that now.

One of the major reasons that an employer chooses to self-fund is so that it can tailor a benefit plan to meet the needs of its specific population. This leads to unique and customize plan provisions that will not easily fit into a standardized matrix. An employer may offer many combinations of plan types to meet the needs of its employees and with many tiers of coverage. With the amount of time, energy, and expense that the creation of these SBCs, the ability to allow for customizable benefits, multiple plans, and multiple contribution structures without having to produce an exponential amount of SBCs would be a change we would welcome.

We thank you for the opportunity to provide comments that we hope will improve compliance efforts that our self-funded plans are making. We hope that you will give them serious consideration and are hopefully for a positive response.

Thank you,

Joanie Verinder
Regulatory Compliance Coordinator