VIA ELECTRONIC SUBMISSION

October 21, 2011

Donald M. Berwick, M.D., M.P.P.
Administrator
Centers for Medicare & Medicaid Services (CMS)
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: CMS-9982-P (Summary of Benefits and Coverage and the Uniform Glossary) and CMS-9982-NC (Templates, Instructions, and Related Materials)

Dear Dr. Berwick:

Coventry Health Care, Inc. (Coventry) welcomes the opportunity to comment on the proposed rule regarding the summary of benefits and coverage (SBC) and the uniform glossary (CMS-9982-P and CMS-9982-NC) published in the *Federal Register* on August 22, 2011 by the Department of the Treasury, the Department of Labor, and the Department of Health and Human Services (hereafter referred to as "the Departments"). Coventry Health Care is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies.

Coventry supports providing enhanced information to healthcare consumers that will help them choose the health plan that bests meet their needs. We also believe that the implementation of the SBC requirements should be done in the most thoughtful manner possible with a focus on minimizing participant confusion and reducing unnecessary administrative expenses. In addition, the Summary of Benefits and Coverage (SBC) requirements should be considered while keeping the marketplace of 2014 in mind, including the requirement that health plans in the exchanges provide coverage of "essential benefits."

With these perspectives, Coventry respectfully submits two major recommendations for CMS' consideration as it finalizes the SBC proposed rule. First, to allow health plans to implement the new SBC requirements in an orderly and timely manner that does not result in an unnecessary increase in administrative costs, the Departments should delay implementation of the SBC requirements by eighteen months – but no less than twelve months – from the current effective date of March 23, 2012. Second, given the new health insurance marketplace that will develop for 2014 with the Exchange, we recommend phasing in the SBC requirements over time as the most balanced and prudent approach while offering important protections to plan participants.

Additional comments are outlined below.

Content of SBC – Coverage Examples

The proposed regulation would initially require the SBC to include the three coverage examples recommended by the National Association of Insurance Commissioners (NAIC) – having a baby (no complications), treating breast cancer, and managing diabetes – with the ability of HHS to identify up to six coverage examples to be included in the future. The Departments request comment on the content and choice of examples as well options for phasing in this requirement. Specifically, the Departments note that one option would be to provide coverage examples for a "subset of all benefit packages" in 2012 and expanding the requirement in future years. The Departments are also considering options for producing the information that would populate the coverage examples, such as using an Internet portal for plans to submit information for the coverage examples. *[76 Fed. Reg.52448, 52485]*

Coventry believes that the coverage examples, in principle, have the potential to be a very useful source of information for consumers. We also believe that including three coverage examples in 2012 – versus six – represents a more prudent approach. However, we encourage the Departments to consider further scaling back of the coverage examples requirements in the first phase of implementation. We urge such an approach for several reasons.

First, there is significant potential for confusion by consumers regarding the coverage examples, including their purpose and how to interpret the information presented. The first page of the proposed coverage examples includes detailed cost information, separated by total costs and what the enrollee would pay. In summarizing its consumer testing for the Departments, the NAIC concluded that participants in focus groups found this information helpful.[1] While it is important for individuals to understand their total cost of care and share of such costs, both the detail and amount of information could be overwhelming to many individuals. Consequently, we urge additional refinement of the template before moving forward.[2]

In addition, while the coverage examples have undergone some consumer testing, we would urge much more rigorous testing before broad implementation is required. In fact, the NAIC letter to the Departments noted, "In order to maximize the value of the summary of coverage document to consumers, we recommend that HHS and the Department of Labor (DOL) have the final document consumer tested."[3] Our recommendation to delay implementation for twelve to eighteen months from the current effective date of March 23, 2012, would accommodate broader testing.

Further, we have concerns regarding the initial coverage examples chosen by the Departments. Section 2715 of the Affordable Care Act (ACA) requires the SBC to include "common benefits scenarios, including pregnancy and serious or chronic medical conditions and related cost

[1] http://www.naic.org/documents/committees_b_consumer_information_final_letter_secretaries.pdf

[2] To highlight an example of language that could be confusing: the guiding note on the first page of the coverage examples document states, "These examples show how this plan might cover medical care in three situations. Use these examples to see, in general, how much insurance protection you might get from different plans." More direct guidance to consumers may be preferable, such as an upfront question/answer that states "How Do I Use This Information?"

[3] http://www.naic.org/documents/committees_b_consumer_information_final_letter_secretaries.pdf

sharing, such scenarios to be based on recognized clinical practice guidelines." Given the language in the ACA, we understand the NAIC's and the Departments' inclusion of maternity care, breast cancer, and diabetes. At the same time, we are concerned that the proposed examples do not represent "common benefits scenarios" that would be most applicable to participants in a given year. For example, an emergency room trip for an injury may be more understandable and resonate more with a broader array of self-only covered individuals or those with family coverage. We urge the Departments to further consider the types of examples that not only meet the statutory requirements but also will best meet the needs of consumers.

Finally, we are concerned that details regarding how issuers should develop the calculations for the examples have not yet been issued, which will make implementation by March 23, 2012 (with 30 day notice prior to this date) extremely difficult if not impossible. Given all of these factors, we recommend that the Departments include specific coverage examples in future iterations of the SBC.

Summary of Benefits and Coverage Template (CMS-9982-NC)
The Departments also seek comments on issues that may arise in use of the SBC template "for different types of plan or coverage designs (for example, designs using tiered provider networks…)" *[76 Fed. Reg.52479, 52482]*

It is important for the Departments to consider other plan designs that may not be contemplated by the current SBC template. As noted above, this is an additional reason that it would be prudent to phase-in the SBC requirements over time. If the requirements are too broad in scope initially, we are concerned that substantial revisions may be needed every year, which would lead to additional administrative costs and confusion for all stakeholders as the information changes over time.

Specific to the SBC template, we believe that the current template would not allow for the description of innovative plan designs that may include, for example, preferred network pharmacies or providers. One possible solution would be to consider broadening the fifth column of the SBC template, which is currently labeled "Limitations and Exceptions" to say "Limitations, Exceptions, and Additional Information." This categorization would allow an issuer to include additional information that might not be captured through the current template.

Provision of the SBC – Premium Quotes
The Departments note the requirement that, if there is a change to the information included in the SBC before coverage is offered or before the first day of coverage, the issuer must provide an updated SBC no later than the date of the offer or the first day of coverage. Further, the Departments "recognize that often the only change to the SBC is a final premium quote…" and request comments on where premium information can be provided in other ways other than with a new SBC. *[76 Fed. Reg.52445]*

As recognized in the preamble to the proposed rule, we agree that often in the individual and small group markets, the only changes to coverage that would affect the SBC would be a final premium quote. We believe providing an entirely new SBC in a timely manner under such circumstances would be difficult and cost prohibitive.

Provision of the SBC for Each Benefit Package
The regulation states that a group health plan and a health insurance issuer offering group health insurance coverage or issuer "must provide an SBC to a participant or beneficiary with respect to each benefit package offered for which the participant or beneficiary is eligible." Such information must be provided as part of any written application materials distributed for enrollment or must be provided no later than the first date the participant is eligible to enroll in coverage. *[76 Fed. Reg.52445]*

We urge the Departments to clarify the meaning "benefit package" and also to consider providing flexibility regarding this requirement, particularly in the initial years of implementation. We agree that participants and beneficiaries should have adequate information regarding their health plan options, but an expansive definition of "benefit package" could result in an avalanche of information for consumers that is not user-friendly and needlessly increases administrative costs for issuers.

Form and Manner for Providing the SBC
The proposed regulations would require an issuer to provide an SBC in paper form if an individual requests information or applies for coverage via mail or over phone. Alternatively, if an individual requests information or submits an application electronically, the SBC may be provided in electronic form. The Departments seek comment on whether "it might be appropriate to allow issuers to fulfill an individual's request in electronic form, unless the individual requests a paper form." *[76 Fed. Reg.52449]*

For ease of administration and simplification, we believe it would be appropriate to allow issuers to fulfill the individual's request for information or to respond to an application by provided the SBC in electronic form, unless a paper reform is requested.

Conclusion
Coventry appreciates the opportunity to comment on the proposed rule regarding the summary of benefits and coverage and the uniform glossary (CMS-9982-P and CMS-9982-NC). We urge the Departments to delay implementation of the SBC requirements for twelve to eighteen months and to phase in these requirements over time so as to maximize the value for consumers and to minimize administrative burden. If you have any questions about our comments, please do not hesitate to contact me at 301-581-5690.

Sincerely,

Matthew D. Eyles

Matthew D. Eyles
V.P. Public Affairs & Policy