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Summary of Benefits and Coverage and Uniform Glossary

Comment On: IRS-2011-0026-0002
Summary of Benefits and Coverage and Uniform Glossary: Templates, Instructions, and Related Materials under Public Health Service Act

Document: IRS-2011-0026-0010
Comment on FR Doc # 2011-21192

Marty Auser

Submitter Information

General Comment

See attached file(s) Please find attached comments regarding this proposed regulation.

Attachments

Comments to file for SBC 10_20_11.doc

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

RE: Summary of Benefits and Coverage and Uniform Glossary—Templates, Instructions, and Related Materials under the Public Health Service Act

Dear Assistant Secretary Borzi,

Summa Health System is one of the largest integrated health systems in Ohio. It is renowned for excellence in patient care and for exceptional approaches to integrated healthcare delivery through a diverse portfolio of operating entities and strong relationships with local providers across the healthcare continuum. Summa Health System encompasses a network of seven owned, affiliated and joint venture hospitals; a regional network of ambulatory care centers; a network of over 1,300 physicians that includes a 260 employed multi-specialty group; an 189,000 member health plan; a System-level foundation; and 10,000+ employees, nurses and healthcare professionals.

SummaCare is a part of Summa Health System. Headquartered in Akron, Ohio, SummaCare is one of the region's only provider-owned health insurance companies. SummaCare offers a full line of health plans including PPO plans, Point-of-Service plans and Medicare Advantage plans. SummaCare also offers administrative services through its third-party Administrator, Apex Benefits Services. Through its extensive network of more than 7,000 providers and more than 50 hospitals, SummaCare offers coverage to more than 189,000 members.

SummaCare is committed to providing customers with comprehensive, community-focused healthcare choices priced to reflect quality, value and service. SummaCare is recognized for outstanding product offerings and customer service by NCQA's Health Insurance Plan Rankings and is the only plan recognized in Ohio by the Health Industries Research Company as a health plan with the most effective disease management programs for asthma, heart failure and diabetes.

We sincerely appreciate the opportunity to comment on the proposed rule governing the Summary of Benefits and Coverage and Uniform Glossary—Templates, Instructions, and Related Materials Under the Public Health Service Act as issued by the Departments of Labor, Health and Human Services, and Treasury. Our comments are as follows:

1. ABILITY TO COMPLY WITH MARCH 23, 2012 EFFECTIVE DATE

SummaCare is concerned that it will be very difficult for insurers to meet the effective date if the final regulations are not released prior to December. If rules are issued by December 15, this only gives issuers and TPAs approximately three months and one week (including the holidays) to complete all individual, commercial group and self funded plans upon renewal or on March 23, 2012 for all individual quotes or Group RFPs. The work load to meet this deadline will be overwhelming and heavily tax our business and its workforce. With each Summary of Benefit Coverage (SBC) being 8 pages in length, benefit logic, calculations of Coverage examples needs completed, SBC will need to be completed based on three lines of business, configuration of new benefits will need configured, printing will need to be completed and all SBC will need to be proofed multiple times for accuracy. Further, to prepare and produce an 8 page document for every plan, for every individual shopping for plans, and for every applicant would result in hours of preparation, possible distribution duplication and excessive costs including materials and printing, and additional staffing to the issuers.

2. REQUIREMENT TO PROVIDE SEPERATE STATE AND FEDERAL DOCUMENTS PROBLEMATIC FOR BOTH ISSUERS AND MEMBERS

SummaCare believes that separate and unique Summary of Benefits required by both the state and the Federal government will prove not only burdensome to Issuers and TPAs but stands to do more damage by confusing members. State regulators comment that they are considering this material to be of a marketing nature and would be in addition to required filings with the state. Additionally, members would be receiving the state filed policy or certificate and a schedule of benefits in addition to the federal policy or certificate and schedule and this may cause more confusion for the member.

3. MINIMUM ESSENTIAL COVERAGE AND MINIMUM VALUE REQUIREMENTS

Minimum essential coverage and minimum value requirements have yet to be proposed. These pieces of information are important elements of meaningful disclosure for consumers, but they are not required to be included in the SBC until January 1, 2014. As such, we think it better to move the effective date to the January 1, 2014 date so as to align with the inclusion of these important pieces of information.

4. PREMIUM AND COST INFORMATION AS PART OF THE SUMMARY OF BENEFIT COVERAGE

It is our opinion that the SBC should not include premium or cost information. Such information could be provided in a chart for both group health plans and individual policies. Requiring the SBC to display the premium for any consumer shopping for rates will be burdensome for issuers as each SBC will have to be customized for every request for rates or for every application.

5. HABILITATIVE SERVICES

SummaCare is concerned about the provision of a line on the SBC denoting “Habilitative Services” in the Summary of Benefit Coverage. The definition is provided as “Health care services that help a person keep, learn or improve skills and functioning for daily living.” Thus, if a child is born with a medical handicap, he or she would receive habilitative care. The word “keep” implies maintaining skills and functioning of daily living. This is not functional improvement and is not covered in many plans. Rehabilitative Services are typically covered and are those services that restore skills and functioning for daily living. Habilitative Services could pose undue burdens on plans and would be cost prohibitive to maintain current limits on premium increases. The measure should not be expanded.

6. PHARMACY RIDERS

Currently, pharmacy information is provided by a rider to a group health plan, thereby allowing the group health plan to choose among all filed pharmacy riders. The regulations require that the Summary of Benefit Coverage provide a line for the pharmacy benefits. This is cumbersome for as an insurer with multiple plans and multiple pharmacy riders, SummaCare will need to create multitudes of documents, one for each plan with each rider (i.e., 64 plans and 7 riders would entail 448 documents needing to be created).

SummaCare appreciates the opportunity to submit these comments on the proposed Summary of Benefits and Coverage and Uniform Glossary rule. At SummaCare, we remain optimistic about Health Care reform but believe these requirements require further time, study and ultimately, modifications, so that they best align with the business practices of Issuers and TPA’s. Most importantly, we want them to best meet the needs of consumers. If you have any questions about our comments or need more information, please contact Judith Macro, VP, Corporate Services / Compliance Officer, at (330) 996-8410.

Sincerely,

Marty Hauser
President, SummaCare