

Making Benefits Easier to Understand: Summary of Benefits and Coverage (SBC) and Uniform Glossary

Under the Affordable Care Act (ACA), all health insurance companies and employers offering coverage will have to use the same standard form to summarize the benefits and coverage offered under the plan. With standardized forms, consumers will be able to compare plans and choose one, and better understand the benefits and costs they have under the plan in which they are enrolled.

The new, standard plans include information on important elements of the coverage, such as the deductible, co-pays, services not covered, and whether enrollees need a referral to see a specialist. These are presented in a way that makes it easier for consumers to make comparisons of their coverage options. The Summary of Benefits and Coverage (SBC) must also include “coverage examples” of two common medical conditions (managing diabetes and having a baby), offered in a format modeled after the “nutrition facts” label consumers use now to make informed decisions about food choices. All health insurance companies and employer plans must also provide consumers with a uniform glossary of terms commonly used in health insurance coverage, such as “deductible,” “nonpreferred provider” and “coinsurance.”

Some additional points to keep in mind:

- If an employer offers some benefits under a separate policy, such as prescription drug coverage or mental health services, it can provide multiple forms, which may be confusing. Starting in late 2013, employers will have to combine all information on one form.
- The SBC requirement applies to all plans, whether you buy yours on your own or get it from an employer.
- Health plans must automatically provide the standard summary to a person who completes an application for coverage or to any person who requests a summary within 7 days. Employers must provide the summary when coverage renews (30 days prior to renewal) and upon request within 7 business days. Employers must also provide an updated summary if there is substantial change in coverage during the plan year.

For a sample of the new summary of coverage, go to: <http://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/sbc-template-accessible.pdf>.

To see the uniform glossary of terms, go to: <http://www.cms.gov/CCIIO/Resources/Files/Downloads/uniform-glossary-final.pdf>.