

Health New England (HNE) Summaries of Benefits and Coverage (SBCs)



Frequently Asked Questions for Employers

Here are a few answers to frequently asked questions about the new SBCs:

Q. What is the SBC?

A. The SBC is a description of health plan insurance coverage, including cost sharing amounts (deductibles, copayments, and coinsurance), and any exclusions or limitations to coverage. The SBC also includes two examples of what a typical incurred health expense might cost. Included in the SBC are answers to questions about maximum out-of-pocket costs, annual limits, and other important aspects of coverage.

Q. Why did my employees receive the SBC?

A. As part of the Affordable Care Act (ACA) of Federal healthcare reform, the government now requires all health insurers and/or plan sponsors to issue SBCs, which are intended to be a simple, easy-to-read and understand complement to the existing documentation of coverage that we already send to your employees.

Q. When must the SBC be provided to my employees?

A. The ACA requires that the SBC be provided to all eligible employees as part of either the new or open enrollment process and upon request. The SBC must be provided no later than the first day of open enrollment or 30 days prior to the plan effective date if no formal open enrollment is conducted. At any time, your employees may request to receive the SBC for either their current plan or other plans that are available to them. If a member requests this, you must provide the SBC within seven business days.

Q. Will HNE help me to fulfill my obligation as an employer with respect to distributing the SBC?

A. Yes. If you are a new group or conduct a formal open enrollment prior to renewal, the SBC will be part of the enrollment packet your employees receive. For current members of renewing groups, HNE will mail the SBC for each member's current plan directly to the member 30 days before the plan renewal date. HNE will also provide you with copies of the SBCs for all plans that you offer to distribute to your employees who are eligible but not currently enrolled in coverage.

Q. Why did HNE send my employees who already have coverage through HNE the SBC for their old plan instead of their new plan?

A. The government requirement is to provide members with a copy of their current SBC, 30 days prior to renewal. If your employees want to receive SBCs for other plans available to them, you must provide the SBC within seven business days of the request.

Q. What if I make changes to my plan less than 30 days prior to its effective date?

A. In that case, the regulations provide an exception to the requirement that the SBC be provided no later than 30 days prior to the plan effective date. Once your plan details have been finalized with your HNE representative, HNE will provide you with SBCs for each plan. You may then make as many copies as you need and distribute them to your eligible employees who are not currently enrolled in coverage. However, this exception does not apply to self-funded groups, so it is especially important for those groups to finalize their plan decisions early.

Q. What if an employee is enrolling outside of the open enrollment period?

You should give employees who enroll outside of the open enrollment period their SBC no later than 90 days after they enroll in coverage.

Q. Are the coverage examples for “Having a Baby” and “Managing Type 2 Diabetes” accurate representations of what it would cost one of my employees to use these services?

A. These examples are based on payment codes provided by the government and built into our claims system. They show the Deductibles, Copays, Coinsurance, and Limits or Exclusions for your employee’s plan. They are not actual cost estimates. They are examples only, to give your employees an idea of what their costs would look like. Their care and its cost may be different from those indicated in the examples.

Q. Will the new SBC replace the other written materials HNE provides to my employees?

A. No. HNE will still supply the Summary Plan Description or Evidence of Coverage, which will continue to include a Chart of Benefits. The Chart of Benefits contains more information and greater detail than the SBC.

For more information about the SBCs please contact your Account Executive or call HNE Sales at 413.233.3535



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