

**To: Participating Employers in the AGC Health Benefit Trust – Washington Chapter**

**Re: Health Care Reform Mandate Compliance Requirement for Participating Employers  
Summary of Benefits and Coverage and the Glossary of Health Coverage and Medical Terms**

This information is provided to assist Employers in meeting the requirement to provide their employees with a *Summary of Benefits and Coverage (SBC)* within the timeframes and circumstances required by the Affordable Care Act. Of all the AGC Health Benefit Trust – Washington Chapter plans offered the requirement to provide an *SBC* applies only to the medical plans.

The *SBC* is a standardized description of the benefits and coverage available under the group health plan. The regulations describe specific requirements for content and format.

The obligation to prepare and distribute the *SBC* applies both to the insurance carriers and participating Employers. The insurance carrier, UnitedHealthcare, has prepared the *SBCs* on behalf of AGC Health Benefit Trust – Washington Chapter, and will provide each Employer with their *SBC* directly when they join or renew with the Trust. Employers are ultimately responsible for the distribution of the *SBCs* to their employees and dependents.

Employers may also access copies of the *SBC(s)* on The Trust's website: <https://www.jdfulwiler.com/agc-health-trust-homepage/>.

### **To Whom and When *SBCs* Must Be Provided**

*SBCs* must be provided to all employees/dependents that are *eligible* to enroll in the plan, regardless of whether or not they are enrolled. Provision of a separate *SBC* to dependents is required only if an employee's dependent resides at a different address.

*SBCs* must be provided at specific times, which are as follows:

- 1. At Employer Annual Renewal - Open enrollment:** UnitedHealthcare will provide the Employer AND the Employer's employees with an *SBC* 30 days prior to the new plan year. If the Employer makes a benefit change at their renewal, UnitedHealthcare will provide a new *SBC* within 7 business days after the renewal is finalized. If the Employer offers multiple medical plans, the regulations only require that a new *SBC* for the benefit plan in which an employee is currently enrolled be provided. However, if an employee or dependent requests an *SBC* for another benefit plan for which they are eligible to enroll, the *SBC* must be provided no later than 7 business days following the request.
- 2. At Initial Enrollment:** The employer must provide the current *SBC* for each medical plan in which an employee is eligible to enroll with the initial enrollment materials given to the employee. If no initial enrollment material is provided, the *SBC* must be provided to the employee no later than the first date the employee is eligible to enroll.
- 3. At Special Enrollment:** The Employer must provide the *SBC* to any employees and dependents within 90 days of enrolling in the Plan due to a special enrollment qualifying event.
- 4. Upon Request:** The Employer must provide the *SBC* to an employee or dependent upon request and no later than seven business days following the date of the request

### **Glossary of Health Coverage and Medical Terms**

The Glossary of Health Coverage and Medical Terms is a related document to the *SBC*. The Employer must provide a hard copy of the glossary upon request (within seven business days following the date of the request).

#### **Penalties for Failing to Provide the *SBC***

Regulatory agencies may assess a penalty of up to \$1,000 per enrollee for each "willful failure" to provide the *SBC*. In addition, an Employer's failure to comply may result in an excise tax of \$100 per day per individual for each day the Employer fails to comply with the distribution requirements for that individual.

This notification is a general description of *SBC* distribution timing requirements applicable to insured health benefits under the Affordable Care Act. It is neither an exhaustive list nor a comprehensive discussion of all of the *SBC* requirements. Please consult your legal counsel for advice concerning the application of the *SBC* requirements to your plan. Information on the *SBC* and *Glossary of Health Coverage and Medical Terms* (Uniform Glossary) also can be found on the DOL's Affordable Care Act site at <http://www.dol.gov/ebsa/healthreform/index.html>.

**I have read the document above and acknowledge my responsibilities regarding Summary of Benefits and Coverage distribution.**

Name of Participating Employer Representative	Signature of Participating Employer Representative	Date
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