

To: Participating Employers in the AGC Health Benefit Trust – Oregon – Columbia 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 – Oregon Columbia 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 – Oregon Columbia 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