



Does a Plan Participant Need Both an SPD and an SBC?

Yes! The SPD and SBC are separate and distinct requirements and one cannot replace the other. However, the SBC may be provided in combination with the SPD if the SBC information is intact and prominently displayed at the beginning of the materials (e.g., immediately after the SPD Table of Contents).

What is an SBC (Summary of Benefits and Coverage)?

Starting with plan years and open enrollment periods beginning on or after September 23, 2012, the Affordable Care Act requires group health plans to provide (without charge) a written SBC to plan participants and beneficiaries containing specific information about the plan and coverage. For insured group coverage, a plan may satisfy the requirement to provide an SBC if the issuer provides a timely and complete SBC to the individual(s) and certain conditions are met.

Information Contained in an SBC

An SBC must be provided with respect to each benefit package offered by the plan for which the participant or beneficiary is eligible. The document must comply with certain appearance and format requirements and contain specified information, including:

- Uniform standard definitions of medical and health coverage terms;
- A description of the coverage and any cost sharing requirements such as deductibles; and
- Information regarding any coverage limitations or exceptions.

The SBC also must include coverage examples which illustrate sample medical situations and describe how much coverage the plan would provide.

What is an SPD (Summary Plan Description)?

The SPD is an important disclosure document required by ERISA, federal legislation signed into law in 1974. The SPD tells participants what the plan provides and how it operates. It provides information on when an employee can begin to participate in the plan, how service and benefits are calculated, and how to file a claim for benefits.

Also included in the SPD are specific provisions required by ERISA. The plan administrator is legally obligated to provide an SPD to participants, free of charge. If a plan is changed, participants must be informed, either through a revised SPD, or in a separate document, called a summary of material modifications, which also must be given to participants free of charge.

For More Information, Contact:

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