

1.8: READ- What is the Summary of Benefits and Coverage Required by the Affordable Care Act?



The Affordable Care Act (ACA)

Under the Affordable Care Act (ACA), U.S. health insurers and group health plan providers are required to provide a **Summary of Benefits and Coverage (SBC)** to consumers.

The U.S. Department of Labor (DOL) provides SBC instructions and templates. The SBC is a document intended to help consumers compare and select health insurance coverage that best meets their needs by providing easy-to-understand language of health plan benefits. The SBC cannot be more than four pages in length and must be printed in 12-point font or larger.

The SBC must include 12 content elements:

1. Uniform definitions of standard insurance terms and medical terms so that consumers may compare health coverage and understand the terms of (or exceptions to) their coverage.
2. A description of the coverage, including cost sharing, for each category of benefits.
3. The exceptions, reductions and limitations of the coverage.
4. The cost-sharing provisions of the coverage, including deductible, co-insurance and co-payment obligations.
5. The renewability and continuation of coverage provisions.
6. Coverage examples.
7. With respect to coverage beginning on or after January 1, 2014, a statement about whether the plan or coverage provides minimum essential coverage and whether the plan's or coverage's share of the total allowed costs of benefits provided under the plan or coverage meets applicable requirements.
8. A statement that the SBC is only a summary and that the plan document, policy, certificate or contract of insurance should be consulted to determine the governing contractual provisions of the coverage.
9. Contact information for questions and obtaining a copy of the plan document or the insurance policy, certificate or contract of insurance (such as a telephone number for customer service and an Internet address for obtaining a copy of the plan document or the insurance policy, certificate or contract of insurance).
10. For plans and issuers that maintain one or more networks of providers, an Internet address (or similar contact information) for obtaining a list of network providers.
11. For plans and issuers that use a formulary in providing prescription drug coverage, an Internet address (or similar contact information) for obtaining information on prescription drug coverage.
12. An Internet address for obtaining the uniform glossary, as well as a contact phone number to obtain a paper copy of the uniform glossary, and a disclosure that paper copies are available.

The SBC must be provided to consumers:

- Enrolling or re-enrolling in health plans beginning on the first day of the open enrollment, including COBRA coverage.
- Newly eligible to enroll on the first day of the plan year.
- During a special enrollment.
- When there are coverage changes or material modifications.
- Upon request.

If the SBC is sent to an address in a county where at least 10 percent of the population is literate in a language other than English, the health insurer or group health plan provider will need to provide language services and notices upon request in the non-English language. Also, all English versions of the SBC must include a statement in the non-English language indicating how to access the language services and copy of the notice. To assist health insurers and group health plan providers with this process, the Centers for Medicare and Medicaid Services (CMS) provide county data and information on translating these documents to other languages.

The SBC may be provided via hard copy or electronic format (e-mail or posted to a website) upon meeting three conditions: the SBC is accessible, can be received in paper form free of charge upon request and is available on the Internet. The SBC does not replace a Summary Plan Description (SPD) but may reference the SPD in the footer of the document.

Source: Q&A "[What is the Summary of Benefits and Coverage Required by the Affordable Care Act?](#)" Society for Human Resource Management (SHRM), 2024.

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