

October 21, 2011

**Comments in Response to the Proposed Rule Concerning
Summary of Benefits and Coverage and the Uniform Glossary (CMS-9982-P)**

Medical Mutual respectfully submits the following comments in response to the proposed rule concerning “Summary of Benefits and Coverage and the Uniform Glossary,” published in the Federal Register on August 22, 2011. Below, we have responded to a number of the solicitations for comment the Departments have included in the proposed rule.

- 1. “Comments are solicited on whether the SBC should be allowed to be provided within an SPD if the SBC is intact and prominently displayed at the beginning of the SPD (for example, immediately after a cover page and table of contents), and if the timing requirements for providing the SBC (described in paragraph (a) of the proposed regulations) are satisfied.”**

Medical Mutual agrees that providing the SBC in the beginning of an SPD should be permitted, but not required, in an effort to reduce mailing costs. There would be an issue with the requirement in the instructions where answers should be listed for type of policy only (single versus family). Currently, we only create one certificate book for single and family benefits combined.

- 2. “The Departments recognize that often the only change to the SBC is a final premium quote (usually in the individual health insurance market or the small group market). The Departments request comments on whether, in such circumstances, premium information can be provided in another way that is easily understandable and useful to plan sponsors and individuals, other than by sending a new, full SBC.”**

For individual plans, since the actual premium does appear on the SBC and the premium would be the only element changing, we do not think a new SBC needs to be reissued, unless it is requested, as long as the premium is provided in another format. For group plans, we are not required to insert the premium on the SBC; therefore, there is no need to reissue when the premium changes.

- 3. “...with respect to the requirement to include an Internet address that may be used to obtain a copy of the uniform glossary, the Departments invite comments on whether the SBC also should disclose the option to receive a paper copy of the uniform glossary upon request.”**

We believe this would encourage paper copies, which increases costs. We would prefer to direct members to an Internet address and/or phone number to print or request a copy of the uniform glossary.

- 4. “The Departments request comments regarding whether the SBC should include premium or cost information and if so, the extent to which such information should reflect the actual cost to an individual net of any employer contribution, as well as the extent to which the cost information should include costs for different tiers of coverage (for example, self-only, family).”**

The issuer is not aware of the employer's contribution; therefore, the issuer would not be able to provide the employee's net cost when the SBC is issued.

5. “...the Departments invite comments on whether and how to phase in the implementation of the requirement to provide coverage examples.”

We agree that a phased-in approach for the coverage examples would be preferable. We suggest delaying implementation of the coverage examples by six to eight months after implementation of the SBC. We also suggest either implementing the coverage examples for individual plans first, followed by group plans, or implementing the examples for new business first, then existing business at renewal.

6. “Comments are also requested on whether it would be feasible or desirable to permit plans and issuers to input plan- or policy-specific information into a central Internet portal, such as [healthcare.gov]...that would use the information to generate the coverage examples for each plan or policy.”

We agree with this approach, as the healthcare.gov portal already provides much of the information consumers who are shopping for coverage are seeking. This would give consumers more control over the information they wish to see.

7. “...the Departments seek comments on whether it might be appropriate to allow issuers to fulfill an individual’s request in electronic form, unless the individual requests a paper form.”

We agree that fulfilling the request in electronic form, unless requested otherwise, would be appropriate and would reduce costs by automating the process and improve turn-around time, which would be beneficial for the members.

8. “To ensure actual receipt of an SBC provided in electronic form, these proposed regulations would set forth certain safeguards for electronic disclosure in the individual market...The Departments welcome comments as to whether these or other safeguards are appropriate.”

We believe ERISA plans should follow the same rules as outlined for Individual and Non-ERISA plans; all three should be consistent.

- *Regarding the requirement that individuals must be able to request a paper copy online:* If an individual is able to visit the website, we believe he or she would not need the ability to request a paper copy. Rather, he or she could print a copy while on the website, which would be more cost-effective, and faster and easier for the consumer.
- *Regarding the requirement to request that an individual acknowledge receipt of the SBC:* As no such acknowledgement is required when paper copies of the SBC are mailed, we do not see the need to apply a more stringent requirement for electronic disclosures of the SBC. Additionally, we request clarification regarding further steps, if any, that must be taken if acknowledgement is requested, but not received.
- *Regarding the requirement to provide the ability to request a copy of the SBC by calling a readily available telephone line, the number for which is displayed on marketing materials related to the policy:* We are open to putting this information on key marketing materials such as the welcome letter, new member guide and the website itself.

9. “The Departments invite comments on this expedited notice requirement [for mid-year (non-renewal) material modifications], including whether there are any circumstances where 60-day advance notice might be difficult.”

If a group or individual requests the material modification, the 60-day notification requirement could have a negative financial impact if changes are being made to reduce costs. For individual coverage, a member may

request a material modification because they cannot afford their current plan. If the individual must wait 60 days for this change to go into effect, this will cause additional turnover and instability in the individual market as these individuals will find a new carrier at lower cost or re-enroll with the existing carrier as a work-around. Thus, the 60-day notification does not seem to fit well in the context of individual products where the individual is initiating a voluntary change. For group coverage, often times groups do not notify the insurer within 60 days of a change needed, therefore the insurer would not be able to provide SBCs any sooner than the group's notification of a requested material modification. Additionally, it is common practice for groups to request benefit revisions after the effective date retro to the effective date. We would appreciate clarification as to whether, because of the material modification notice, insurers can no longer make retro benefit revisions requested by groups after the effective date. If the insurer is requesting the material modification, the 60-day notice is appropriate.

10. Comments regarding the timing of the implementation of SBC and coverage examples (March 23, 2012).

We are still in need of adequate instructions for the coverage examples. There are discrepancies between the instructions, forms, and proposed regulations. For example, the regulation does not require color reproduction, whereas the instructions do. In addition, the instructions indicate that the plan name should be listed, then insurance company in the top left hand corner of the form; the sample form shows the opposite. As far as implementation, we recommend either implementing the requirements for the individual market first, followed by the group market, or new business first, followed by existing business at renewal.

11. Additional Comments

Because the format and content of the SBC cannot be modified, we assume that a cover page will need to be included to list the recipient's address in the case of an SBC that is mailed. We request that the Departments clarify whether it is appropriate to add additional language to this page, such as explanatory messaging or other content.