

# Responsibilities and timeframes

The law imposes an obligation on you and your insurers to comply with SBC rules for creating and delivering SBCs. BCBSM and BCN will create and deliver, either electronically or in print form, SBCs to fully-insured group customers, either directly or through the group's agent. Groups will be responsible to distribute the document to their employees, pre-enrollees and others who may be entitled to an SBC under the government regulations. We will distribute the document to the member only if the member contacts Blues customer service and requests a copy. Group customers must make sure the SBCs are delivered to the members within the appropriate timeframes as required by the regulations. You're responsible for sending an electronic or printed copy of the SBC to your health plan participants and beneficiaries. If you work with an agent who requests a quote or an SBC on your behalf, delivery of the SBC to the agent by the Blues satisfies the requirement to deliver to employer groups.

## Penalties

It is important you understand and comply with SBC regulations. If an employer doesn't send an SBC within the required timeframe, it may need to pay fines and penalties. There is a fine of \$1,000 per affected individual for each instance in which a carrier or employer willfully fails to provide an SBC. In addition, the health care reform law mandates a fine of \$100 per day per affected individual until the employer complies. So for example, if a group has 20 affected employees and is out of compliance for 30 days, the fine could be \$60,000.

## When and how an SBC will be delivered

During the first year of applicability, the date you will receive your initial SBC will vary depending on your group's open enrollment period. The following are some possible timelines for different open enrollment and plan effective dates.

	Plan year start dates	Open enrollment start dates	Is an SBC required for open enrollment in 2012?	When must the SBC be distributed to participants who enroll in coverage other than through an open enrollment period?
<b>Example 1</b>	Oct. 1, 2012	Aug. 27, 2012	No	Starting Oct. 1, 2012
<b>Example 2</b>	Jan. 1, 2013	Nov. 5, 2012	Yes	Starting Jan. 1, 2013

## Retrieving the SBC for BCBSM plans

Starting Sept. 23, 2012, BCBSM will post your group's SBCs online through Group Secured Services at [bcbsm.com](http://bcbsm.com). There you will be able to retrieve the SBC and deliver the document to your employees electronically or in print. If you experience difficulties retrieving your group's SBCs, contact your Blues agent or representative.

To obtain your SBCs electronically from our website, you must be registered for **Group Secured Services**. To register, please follow these instructions:

1. Go to [bcbsm.com](http://bcbsm.com).
2. Click on the *Group* tab in the blue box on the right side of the home page.
3. Click on the *Register* link then click *Begin*.
4. After accepting the Terms and Conditions, complete the required fields with the appropriate information.

## Retrieving the SBC for BCN plans

If you have a BCN plan and would like a copy of your SBC, please contact your Blues agent or representative. Or, you can request your SBCs by emailing [BCNSBCRequests@bcbsm.com](mailto:BCNSBCRequests@bcbsm.com). Include your group name, group number, email or regular mail address in the request.

## How your employees can retrieve their SBC

The Blues will also post the SBCs for your employees to access online. Encourage your employees to retrieve their SBC by logging in to **Member Secured Services** at [bcbsm.com](http://bcbsm.com) or [MiBCN.com](http://MiBCN.com). They must be registered for the site in order to gain access to their SBC.

If members have difficulties retrieving the SBC, they may contact the customer service number on the back of their ID card and request a print copy.

## Responsibilities and timeframes (continued)

There are a variety of “triggering events” that will require delivery of an SBC to you and then by you to your employees and others entitled to an SBC under the regulations. The following chart includes common triggers and related details, including your responsibilities in each situation.

Triggering event	Definition	What will BCBSM do?	What will BCN do?	What is the responsibility of the group customer?
<b>Open enrollment</b> periods occurring on or after Sept. 23	Period during which participants can choose from available plan options.	<ul style="list-style-type: none"> <li>Post SBC to Group and Agent Secured Services at <a href="http://bcbsm.com">bcbsm.com</a> on or after Sept. 23, 2012, as long as group is not making a benefit change.</li> <li>Post SBC to Member Secured Services at <a href="http://bcbsm.com">bcbsm.com</a> upon enrollment.</li> </ul>	<ul style="list-style-type: none"> <li>Provide SBC to group or agent upon request.</li> <li>Post SBC to Member Secured Services at <a href="http://MiBCN.com">MiBCN.com</a> upon enrollment.</li> </ul>	Provide SBC to participants at the same time that open enrollment materials are distributed.
<b>Automatic renewal</b> periods occurring on or after Sept. 23	Automatic renewals – no new coverage agreements required (i.e., no benefit changes).	Post SBC to Group, Agent, and Member Secured Services at <a href="http://bcbsm.com">bcbsm.com</a> 30 days before new plan year begins.	<ul style="list-style-type: none"> <li>Provide SBC to group and agent in advance of the renewal date.</li> <li>Post SBC to Member Secured Services at <a href="http://MiBCN.com">MiBCN.com</a> upon enrollment.</li> </ul>	Provide to participants 30 days before the beginning of the plan year.
<b>Application</b>	Application applies anytime group signs new coverage agreements (i.e., benefit change at renewal or mid-year or adds a new line of business).	<ul style="list-style-type: none"> <li>Provide SBC to group within seven business days of receipt of application.</li> <li>Once the benefit changes are complete, the updated SBC will be posted on Group Secured Services and Agent Secured Services.</li> </ul>	Provide SBC to group within seven business days of receipt of application.	<ul style="list-style-type: none"> <li>Provide SBC to participant as part of any written application when enrollment materials are distributed.</li> <li>If no written materials are distributed, provide no later than first day which participant is eligible to enroll in coverage.</li> </ul>
<b>Newly eligible</b>	Participant becomes eligible for coverage (i.e., new hire).	Not applicable	Not applicable	Provide existing SBC to newly eligible participant with enrollment application and materials, or if there are none, no later than first day of eligibility for coverage.
<b>Special enrollees</b>	New enrollments that meet HIPAA special enrollment criteria such as marriage, or adoption or birth of a child.	Not applicable	Not applicable	Provide existing SBC to participant within 90 days from enrolling.
<b>Upon request</b>	Any request from group or member at any time.	Provide SBC to group or member within seven business days of request.	Provide SBC to group or member within seven business days of request.	Provide SBC to participants when requested within seven business days following receipt of the request.
<b>Benefit changes between application and enrollment</b>	Only required if change occurs between application and enrollment and if change alters the content of SBC.	Provide SBC to group before the first day of coverage.	Provide SBC to group before the first day of coverage.	Provide SBC to participants before first day of coverage.

## Notice of Material Modification

Members also must be provided a notice of any material modification to any of the terms of the plan or coverage that would affect the content of the SBC, is not reflected in the most recently-provided SBC, and that occurs mid-year (i.e., other than in connection with a renewal or reissuance of coverage). The group must provide members with notice of the material modification no later than 60 days before the date that the modification will become effective. The notice can be in the form of a separate notice describing the material modification or an updated SBC reflecting the modification.

For ERISA group health plans, it is important to note that while a Notice of Material Modification (or updated SBC) under the ACA will satisfy the separate ERISA requirement of sending a summary of material modification (SMM), the timeframes are different. The timing for a Notice of Material Modification (or updated SBC) is in advance of the timing requirements for the SMM. If the group delivers the SBC or Notice of Material Modification in the mandated timeframe, then the group has satisfied the requirements and will not have to send the second notice, or SMM.

Triggering event	Definition	What will BCBSM do?	What will BCN do?	What is the responsibility of the group customer?
<b>Material modification</b>	<ul style="list-style-type: none"> <li>Denotes material plan change other than at renewal or reissuance of coverage that alters the content of the SBC.</li> </ul>	<ul style="list-style-type: none"> <li>BCBSM will notify the group of mandated benefit changes and other material changes not requested by the group..</li> <li>BCBSM will post updated SBC to Group, Agent and Member Secured Services by the effective date of the change.</li> </ul>	<ul style="list-style-type: none"> <li>BCN will notify the group of a mandated benefit changes.</li> <li>Whether the change is a mandate or whether it is requested by the group, we will mail to members a benefit change letter with SBC information. Members will be notified to access their SBC online at <a href="http://MiBCN.com">MiBCN.com</a> or contact Customer Service for a paper copy.</li> </ul>	<ul style="list-style-type: none"> <li>Regardless of whether the material change is mandated or requested by the group, the group must provide members with notice 60 days in advance of the effective date of the modification.</li> </ul>

