

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

**Re: *Summary of Benefits and Coverage and the Glossary of Health Coverage and Medical Terms***

This information is provided to assist participating employers in the AGC Health Benefit Trust – Oregon Columbia Chapter (Trust) in meeting the requirement to provide employees with a *Summary of Benefits and Coverage* (SBC) within the timeframes and circumstances required by ERISA. The SBC requirement was added to ERISA's disclosure requirements by the Affordable Care Act. The SBC requirement only applies to the medical plans offered by the Trust.

The SBC is a standardized description of the benefits and coverage available under the group health plan which must be provided in a proscribed form. Content is specified by government template completed according to instructions provided.

The Trust's insurance carrier, Regence, has prepared SBCs for each medical plan offered by the Trust, and participating employers are responsible for the distribution of the SBCs to their eligible employees and dependents.

**IMPORTANT:** New and renewing employers will need to obtain current SBCs for the medical plan(s) they elect to offer their employees and dependents from the Trust's website: <http://www.agchealthplansnw.com/AGCOR.htm>.

#### **To Whom and When SBCs Must Be Provided**

SBCs must be provided to all employees, dependents and qualified beneficiaries that are eligible to enroll in medical coverage under the Trust, regardless of whether or not they are enrolled. A single SBC may be provided to a family unless the beneficiaries are known to reside at a different address.

SBCs must be provided at specific times, discussed below:

- 1. At Employer Annual Renewal - Open Enrollment:** The employer must include the SBC with open enrollment materials given to eligible employees. If renewal is automatic and there is no opportunity to change coverage options, the SBC must be provided no later than 30 days prior to the first day of the new plan year. If the employer's renewal is finalized less than 30 days prior to the first day of the new plan year, the SBC must be provided no later than seven business days after the renewal is finalized. If the employer offers multiple medical plans, the regulations only require the employer to provide a new SBC for the medical plan in which an employee is currently enrolled. However, if an employee or dependent requests an SBC for another medical plan for which they are eligible to enroll, the SBC must be provided as soon as practicable, but in no event later than seven business days following the date of 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 the employer does not distribute written application materials for enrollment, 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 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 as soon as practicable, but in no event later than seven business days following the date of the request.

**YOUR SIGNATURE IS REQUIRED ON THE NEXT PAGE.  
PLEASE SIGN AND RETURN AS INSTRUCTED.**

### 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 (as soon as practicable but in no event later than 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 in excise taxes 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 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 agrees to indemnify and hold the Trust harmless against any loss, damage, or expense, including penalties and reasonable attorney fees, that the Trust may incur or be required to pay as a result of my failure to distribute the SBCs.**

Name of Participating Employer Representative	Signature of Participating Employer Representative	Date
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