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NEW AFFORDABLE CARE ACT POLICY HELPS CONSUMERS BETTER UNDERSTAND AND COMPARE BENEFITS AND COVERAGE

Washington, DC - Today, the Departments of Health and Human Services (HHS), Labor, and the Treasury proposed new rules under the Affordable Care Act that will enable consumers to easily understand their health coverage and determine the best health insurance options for themselves and their families. Likewise, these proposed rules will assist employers in finding the best coverage for their business and their employees. Under the proposed rules announced today, health insurers and group health plans will provide consumers with clear, consistent and comparable information about their health plan benefits and coverage. The new forms, scheduled to be available in 2012, will be a critical resource for more than 180 million health insurance consumers with private health insurance coverage.

"Today, many consumers don't have easy access to information in plain English to help them understand the differences in the coverage and benefits provided by different health plans," said HHS Secretary Kathleen Sebelius. **"Thanks to the Affordable Care Act, that will change."**

"Workers and their families need clear and understandable information regarding their health coverage," said Secretary of Labor Hilda L. Solis. **"Today's proposal is a common-sense step that will help workers quickly and easily compare different coverage options, in order to make more informed decisions."**

The rules proposed today will enable consumers both to more easily understand the coverage they already have and, when purchasing new coverage, to make apples-to-apples comparisons of available options. Specifically, the proposed regulations would ensure consumers have access to two forms that will help them understand and evaluate their health insurance choices, including:

- An easy to understand Summary of Benefits and Coverage; and
- A uniform glossary of terms commonly used in health insurance coverage, such as "deductible" and "co-pay".

All health plans and issuers will provide a Summary of Benefits and Coverage, along with a uniform glossary of terms, to shoppers and enrollees upon request and before they buy coverage. Often, health plans and issuers only provide selective details on the plan or policy before it's purchased, giving consumers a limited understanding of what they are buying. The proposed rules give consumers straightforward, standardized information on their choices upfront, helping them understand the key features of the policy or plan and allowing them to make a more informed decision. The summary will use a uniform glossary to replace the jargon that makes it impossible to compare plans or figure out what is covered. Health plans and issuers must also provide notice at least 60 days before any significant modification is made in the plan or coverage during the plan or policy year.

This Summary of Benefits and Coverage will include a new, standardized health plan or policy comparison tool for consumers known as "Coverage Examples," much like the Nutrition Facts label required for packaged foods. The Coverage Examples would illustrate what proportion of care expenses a health insurance policy or plan would cover for three common benefits scenarios—having a baby, treating breast cancer, and managing diabetes. Additional scenarios may be added in the future.

The examples will help consumers understand and compare their share of the costs of care under a particular policy or plan, and see how valuable the health plan will be at times when they need the coverage.

The proposed rules benefit from the public process led by the National Association of Insurance Commissioners (NAIC) and a working group composed of stakeholders. These stakeholders include representatives of health insurance-related consumer advocacy organizations, health insurers, health care professionals, patient advocates including those representing individuals with limited English proficiency, and other qualified individuals. During its process, the working group met monthly, invited public input, and conducted consumer testing of the language and forms. Today's proposed regulations adopt the recommendations submitted by the NAIC after that process, and request comments on how the forms can be improved.

More information about the proposed regulation is available at:

<http://www.healthcare.gov/news/factsheets/labels08172011a.html>.

To view the proposed template for the Summary of Benefits and Coverage, visit:

<http://www.healthcare.gov/news/factsheets/labels08172011b.pdf>

To view the Notice of Proposed Rulemaking or learn how to submit public comment, visit: <http://www.gpoaccess.gov/fr/>

Other technical information is available at: <http://cciio.cms.gov/>