

Illinois Educators Risk Management Program Group Health Plan

Illinois Educators Risk Management Program Association – POS-C 1000d
 Illinois Educators Risk Management Program Association – POS-C 2000d
 Illinois Educators Risk Management Program Association – POS 2500 100
 Illinois Educators Risk Management Program Association – PPO 500d
 Illinois Educators Risk Management Program Association – PPO 1000d
 Illinois Educators Risk Management Program Association – PPO 2500 100
 Illinois Educators Risk Management Program Association – HDHP 3000
 Illinois Educators Risk Management Program Association – HDHP 5000
 Illinois Educators Risk Management Program Association – HMO 80

SBC Applicability Date: 9/1/2018

The enclosed Summary of Benefits and Coverage (“SBC”) required by Section 2715 of the Public Health Service Act, added by the Affordable Care Act (“ACA”), and incorporated into ERISA and the Internal Revenue Code, is a responsibility of the employer/plan sponsor. For your convenience, Health Alliance is providing, for your review and consideration SBC documents developed based on the plan of benefits you have provided Health Alliance. Please review the SBC(s) for accuracy and advise your Health Alliance Client Consultant if any modifications are required.

The “SBC Applicability Date” indicated above is specific to your plan. It is the responsibility of the Plan Sponsor to verify content and distribute the SBC. **Note:** Electronic distribution of the SBC is permitted, subject to the requirements of applicable law. Please contact your Health Alliance Client Consultant if you have questions about electronic disclosure. *It is always appropriate to distribute a paper copy of the SBC and paper copies must be provided when they are requested.*

Please review the Minimum Essential Coverage and Minimum Value Standards statement located in each SBC and verify accuracy of the information provided on the SBC(s) before distributing.

The SBC must be provided to enrolled and eligible-but-not-enrolled individuals. Below is a brief summary of the timing requirements for SBC distribution based on the regulations and associated guidance available as of September 1, 2012. **It is subject to change.** Please see the Event Type “Plan and SBC Modification” below for SBC Distribution Requirements.

Event Type	SBC Distribution Requirement
Initial plan applicability date	For plans with an open enrollment period: An SBC must be provided for an open enrollment period that begins on or after 9/23/2012. For plans without open enrollment periods: an SBC must be provided as of the first day of the Plan Year* after 9/23/2012. *Plan Year is the fiscal year of the plan, not the benefit year. This information is typically found in your Summary Plan Description/Plan Document under the “GENERAL PLAN INFORMATION” section.
New enrollment	Each enrollee must receive, as part of any written enrollment materials distributed, an SBC for each benefit package offered for which the person is eligible. If the Plan Sponsor does not distribute written application materials for enrollment, the SBC must be distributed no later than the first date the person is eligible to enroll for coverage.
Special enrollment	Each special enrollee must receive an SBC within 90 days after enrollment pursuant to a special enrollment right.
Open enrollment	The SBC must be provided to enrolled and eligible-but-not-enrolled individuals on the first day of the open enrollment period. It may be provided with the open enrollment materials, if distributed prior to the first day of the open enrollment period.
Plan and SBC Modification	When SBC content is affected by a plan modification, the Plan Sponsor must provide notice of most changes to enrollees. Such notice must be provided no later than 60 days prior to the effective date of a material modification (as defined under Section 102 of ERISA) if the modification is effective on a date other than a plan year or benefit year.
Upon request	SBCs must be provided as soon as practicable and within seven business days following receipt of the request.

The penalties to a health plan that willfully fails to provide an SBC include a penalty per participant for each failure. The penalty amount for 2018 is \$1,128 per participant; this penalty amount is subject to change based on applicable law. The U.S. Department of Labor has enforcement authority over ERISA plans and the self-reported excise tax of up to \$100 per day per individual under Code § 4980D, whether the failure is willful or not, may also be applied. The Department of Health and Human Services has enforcement authority over non-federal government plans.

Nothing contained in this illustration is intended to be, and should not be considered, legal advice. The information contained herein is subject to change without notice. Please contact your Health Alliance Client Consultant if you have questions.