

July 27, 2011

Honorable Kathleen Sebelius  
Secretary  
US Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Honorable Hilda Solis  
Secretary  
US Department of Labor  
200 Constitution Avenue, NW  
Washington DC 20210

Dear Secretary Sebelius and Secretary Solis:

Attached for your review and consideration are documents intended to accompany the summary of benefits and coverage explanation (SOC) document developed previously by the Consumer Information (B) Subgroup established by the National Association of Insurance Commissioners pursuant to §1001 of the Patient Protection and Affordable Care Act (PPACA) (adding § 2715 to the Public Health Service Act). First, we included “instructions guides” to provide guidance to insurers when filling out the SOC. Second, is a “template” for HHS to use when providing medical scenario information to insurers for their use in populating the coverage example scenario portion of the SOC. Lastly, we have included for your convenience, the entire SOC document that combines the SOC forwarded to you in Dec. 17, 2010, as revised by our June 18, 2011 coverage examples submission.

The Dec. 17, 2010 submission to the Departments included instructions documents for filling out the SOC (one set of instructions for the individual or non-group policies and one set for group policies). The attached instructions revise those earlier instructions to take into account the inclusion of the coverage examples into the SOC. It has become clear to the Subgroup during the course of developing the instructions that many questions remain with respect to filling in the SOC, which will require significant follow up with the Departments. We understand that dedicated support for insurers in completing the SOC is being discussed, much like what is available to insurers in providing information required for the Plan Finder ([www.healthcare.gov](http://www.healthcare.gov)). We strongly support such an approach to ensure that the SOC is as an informative and helpful tool for consumers as possible. The attached instructions are intended to provide a solid start to what we anticipate will be an ongoing dialogue between the Departments, insurers and representatives of end-users such as consumers and employers.

The attached template has been included to facilitate the most efficient transmittal of information for the coverage examples portion of the SOC. Insurers are interested in automating as much of the SOC production as possible. The use of a uniform format for the transmittal of the medical scenario information to insurers will go a long way towards achieving that goal. Much like the instructions document, the template will also have to be revisited and refined as the Departments and insurers actually start to produce the SOC. In submitting this template, we recognize that the actual medical scenario may differ from that which is presented in this illustration and sample SOC (developed by Georgetown University<sup>1</sup>). However, we urge that the basic concepts, assumptions, categories and layout of information be retained.

In order to avoid undue confusion, we are attaching a final SOC that incorporates all our recommendations, from our submission in December to our most recent submission in June. Our intention is not to make any substantive changes to the first four pages of the SOC that we submitted in December beyond those we noted in our transmittal letter in June. However, we did want to correct any clear errors we missed previously, such as the

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<sup>1</sup> K. Pollitz, E. Bangit, J. Libster, S. Lewis, N. Johnston, *Coverage When it Counts: What Does Health Insurance in Massachusetts Cover and How Can Consumers Know?*, Georgetown University Health Policy Institute, May 2009.

reference to information provided on page 3 when we know that the placement of information changes depending on how the SOC is filled in, thus making references to specific page numbers impractical.

As we developed these documents, several issues came to our attention that we believe the Departments should address as part of the rulemaking process:

- Over the course of a policy period, plans may make changes to their prescription drug formularies, including changes to a drug's tier placement. While such changes may alter the insured's cost-sharing obligations, we believe they do not warrant reproducing the SOC more than annually. As such, we are recommending that insurers be directed to create SOC templates effective for a one-year period beginning on a date specified by the Departments, with the requirement to produce a new version of the SOC only when material changes are made to the plan that would impact the SOC. Accordingly, all templates should have an effective date located somewhere on the document.
- Many employer groups carve out management of certain benefits (e.g., prescription drugs, mental health) to insurers separate from the insurer managing their medical benefits. As a result, an insurer may not be able to produce a complete SOC and coverage example if they do not manage all of the benefits addressed in the documents. We recommend that the Departments address this issue in their rule and clarify that an insurer is not required to include information in the SOC for benefits that it does not manage. The Departments may also consider necessary modifications to the SOC template to address this issue (e.g., a disclaimer indicating that certain benefits may be covered by other insurers, relocating information about carve-out benefits to a separate section for ease of understanding).

We would like to reiterate the Subgroup's willingness to continue to be a resource for the Departments in the weeks and months ahead as implementation goes forward. Thank you again for the opportunity to provide you with our recommendations. We look forward to continuing to work closely with your Departments to produce information to help consumers better understand their health coverage.

Sincerely,



Susan E. Voss  
NAIC President  
Iowa Insurance Commissioner



Sandy Praeger  
Chair, NAIC Health Insurance and Managed Committee  
Kansas Insurance Commissioner