

March 7, 2012

The Honorable Hilda S. Solis
Secretary, U.S. Department of Labor
200 Constitution Ave, NW
Washington, D.C. 20210

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services
200 Independence Ave. S.W.
Washington, D.C. 20201

The Honorable Timothy Geithner
Secretary, U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

Dear Secretaries Solis, Sebelius and Geithner:

Last month, your departments issued a very good regulation on the Summary of Benefits and Coverage (SBC). Although we intend to work with you as modifications and improvements are made, we believe the regulation is a substantial and important step forward in enabling consumers to better understand their coverage and make more informed health care decisions. By requiring compliance after September 23, 2012, this very valuable tool will be available for the first time during this fall's open enrollment period when many millions of Americans are choosing coverage. Furthermore, consumers will gain a year of valuable experience with the form prior to the major reforms that begin on January 1, 2014.

We note with concern letters recently sent to you from the Business Roundtable and the American Benefits Council requesting further delay in the implementation of the Summary of Benefits and Coverage rule. Any delays or other changes that would dilute this regulation would be an unacceptable step backward in empowering consumers to make informed choices.

The SBC is a critical investment at a very small cost that will begin to create a truly informed, consumer-driven market. Historically, the health insurance market was driven largely by price because consumers did not have the information they needed to make informed decisions. As a result, even today families all too often learn about the limitations and real value of their plan only after they have begun treatment for a serious medical condition, at which point they generally cannot purchase coverage more appropriate to their needs. Although employers and insurers are required to provide summaries of plans to enrollees or applicants, these documents are often not comprehensible or even accessible to the vast majority of consumers. Moreover, these summaries are not uniform, making comparison across options difficult. Finally, these

more traditional summaries do not include new consumer aids such as the “Coverage Examples”—a new and effective way of explaining coverage that has been demonstrated to provide significant help to consumers.

The SBC has been the focus of an extraordinarily collaborative effort among the various stakeholders, ranging from consumer and patient groups, to insurers and regulators. We all recognize that a better-informed consumer is essential to ensuring that adequate coverage is purchased and to achieving a truly competitive marketplace that can contain spiraling costs and improve health outcomes. It is not surprising that a December Kaiser Family Foundation national survey found that the SBC is the single most popular provision of the Affordable Care Act. As a result of the SBC, over 150 million people will now have a uniform description that will allow them to understand and compare the basic elements of their health insurance options. The benefits of the SBC far outweigh the nominal cost per applicant that may be required to produce the form.

There are enormous challenges remaining as we work together to implement fully the essential and far-reaching reforms embodied in the Affordable Care Act. Greater transparency and consumer awareness is a critical precondition for realizing these goals. The SBC is one of the singularly most important reforms in achieving these goals. We fully support the regulation promulgated by the three departments as a linchpin in our country’s health reform efforts.

(For further information, the signees can be reached through Stephen Finan at the American Cancer Society Cancer Action Network, SFinan@cancer.org.)

CC: Jeanne Lambrew
The White House

Sincerely,
AARP
American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association
Colorado Consumer Health Initiative
Community Catalyst
Consumers for Affordable Health Care (Maine)
Consumers Union
Families USA
First Focus
Health Access California
March of Dimes
National Multiple Sclerosis Society
National Partnership for Women and Families
National Women’s Law Center
Planned Parenthood Federation of America
Young Invincibles

