

Mr. Gary Cohen  
Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

Cc: Phyllis Borzi (DOL), Mark Iwry (Treasury)

Dear Director Cohen,

The undersigned consumer groups, representing millions of consumers, welcome you back to the Center for Consumer Information and Insurance Oversight (CCIIO). Your prior work as director of the Oversight group, with Rep. Garamendi and as a former regulator, bodes well for consumers in this country.

We'd like to take this opportunity to highlight the upcoming CCIIO work on the Summary of Benefits and Coverage (SBC) form. As consumers begin their open enrollment process in the coming months, this SBC form will be the first tangible benefit of the Affordable Care Act that many consumers see. Over 170 million Americans are estimated to benefit from this form.<sup>1</sup> This important consumer benefit begins to address a significant deficit in consumers' understanding of one of the most expensive products that they purchase.<sup>2</sup>

Given the far reach of the form and its potential to introduce real competition into the health insurance marketplace, it is critical that CCIIO continue to place a very high priority on monitoring consumer reactions to the form and aggressively improving the form over time. Consumers deserve a robust form that allows them to compare plans with a complete understanding of the nature and amount of coverage, and a clear picture how much it will cost.

Our highest priorities for near-term improvements are these:

- An early deadline for transitioning away from the temporary coverage example calculator should be established so that consumers will have access to more robust estimates per the original rules. We recommend that use of the current calculator be prohibited after January 1, 2013. If its use continues past that point, flaws in the temporary calculator must be addressed by January 1, 2013.<sup>3</sup> We urge that under no circumstances should the current calculator still be in use October 1, 2013.

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<sup>1</sup> *Decoding Your Health Insurance: The New Summary of Benefits and Coverage*, Families USA, May 2012.

<sup>2</sup> *Early Consumer Testing of New Health Insurance Disclosure Forms*, People Talk Research and Consumers Union, December 2010.

<sup>3</sup> This report describes current weaknesses in the calculator. "Transparency and Complexity," Kaiser Health Reform Source, August 13, 2012. <http://healthreform.kff.org/notes-on-health-insurance-and-reform/2012/august/transparency-and-complexity.aspx> In addition, the standardized charges being used are unrealistically low and must be brought up to realistic levels.

- Feedback collected from the 2012 release of the form should inform an updated version available to consumers on or before October 1, 2013 (open enrollment for exchanges). Final rules governing these changes must be published in early 2013 so that insurers can adjust their IT systems.
- The next update must include more coverage examples.
  - In testing, coverage examples surpassed traditional displays of information in terms of contributing to consumer understanding of the health insurance plan.<sup>4</sup>
  - At least one coverage example should be a scenario with very high costs in a given year (as opposed to life-time chronic costs) – such as the original breast cancer example. Consumer testing showed that coverage examples illustrating a costly illness were particularly helpful in terms of conveying the value of coverage to consumers.<sup>5</sup>
  - Other coverage examples to consider are heart attack, a family with normal expenses during the year (for example, a child with mild asthma), an example that includes the use of an out-of-network provider, and perhaps a Health Savings Account (HSA) example.
- The next update should include premium information or at least an empty box where the premium can be filled in for the consumer.
  - The NAIC recommendations included a premium row and consumer research shows that this is a key feature that consumers use to compare plans.
  - Reflecting the greatly simplified premium rate setting that will be used to price non-group plans January 1, 2014 and the uniform premiums used by group plans, HHS should restore the row on the form containing premium information.
  - Restoring the premium row is integral to achieving the statutory goal of allowing consumers to “compare health insurance coverage.” The absence of this key piece of information greatly undermines the goals for the form.
- The next update should fix the thresholds for language services which are currently inconsistent with longstanding HHS and DOL policies and regulations.
  - Pursuant to DOJ and HHS’ limited English proficiency (LEP) Guidance, oral language services should be provided to all LEP individuals with no thresholds.
  - The thresholds for translation should include both a numeric and percentage threshold consistent with existing HHS and DOL standards DOL (we recommend using 5% or 500 as outlined in previous comments) and determine the appropriate service area.

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<sup>4</sup> *Early Consumer Testing of the Coverage Facts Label: A New Way of Comparing Health Insurance*, Kleimann Communication Group, Inc. and Consumers Union, August 2011.

<sup>5</sup> *Ibid.*

- The SBC should include translated taglines in several languages informing consumers how to obtain information.

Thank you for considering our concerns. We would like to schedule a meeting with the tri-agencies as soon as possible to discuss how to achieve these improvements in a timely fashion. If you would like to use a single point of contact for future responses, please send communications to Lynn Quincy, Senior Health Policy Analyst, Consumers Union, [lquincy@consumer.org](mailto:lquincy@consumer.org).

Sincerely,

American Cancer Society - Cancer Action Network  
American Diabetes Association  
American Federation of State, County and Municipal Employees  
American Heart Association  
Consumers Union  
National Multiple Sclerosis Society  
National Partnership for Women & Families  
Georgetown University Center for Children and Families  
U.S. PIRG

Alliance for a Just Society  
Virginia Poverty Law Center  
Consumers for Affordable Health Care (Maine)  
Maryland Women's Coalition for Health Care Reform  
New Yorkers for Accessible Health Coverage  
Center for Independence of the Disabled, NY  
Health Access California  
Illinois PIRG (Public Interest Research Group)

And the following NAIC consumer representatives:

Tim Jost  
Lynn Quincy  
Beth Abbott  
Joe Ditre  
Steve Finan  
Cindy Zeldin  
Bonnie Burns