Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210
Attention: RIN 1210-AB52

Submitted Electronically To: ***E-OHPSCA2715.EBSA@dol.gov***

Re: RIN 1210-AB52: Summary of Benefits and Coverage & the Uniform Glossary Rule

Ladies and Gentlemen:

On behalf of the 1199SEIU Benefit Funds, I am pleased to submit comments on the above referenced proposed regulation regarding disclosure of the summary of benefits and coverage and the uniform glossary rule ("SBC"). The proposed regulations were jointly published by the Departments of the Treasury, of Labor (DOL), and of Health and Human Services (HHS) on August 22, 2011, reference number RIN 1210-AB52.

Background of the 1199SEIU Benefit Funds

The 1199SEIU Benefit Funds are comprised of five separate Taft–Hartley Welfare funds, proving nine multi-employer healthcare plans, the majority of which are self-insured and self-administered. We provide more than 430,000 working and retired members of 1199SEIU United Healthcare Workers East with comprehensive health coverage. Our members work in hospitals, nursing homes, home care agencies and other healthcare settings, and our 860 contributing employers in the New York metro area include hospitals, nursing homes, home care agencies and other healthcare organizations. We provide quality, first-dollar coverage to most of our members with no financial barriers to care, and process 4.3 million health claims per year, paying a total of more than $1.4 billion for our members' care. Our members, for the most part, live in the most densely populated sections of New York City, and demographically fall into the low- wage service worker category.

The Proposed Regulations and the SBC Format Should Not be Required of Collectively Bargained Self-Insured Multiemployer Plans

The proposed rules are geared toward individuals contemplating benefit packages from insurers competing in the marketplace. Our plans and our participants are not in the same world as a typical insured individual: Our plans do not compete in the marketplace. The participants bargain for their healthcare through their Union, and their employers contribute to a Fund pursuant to their collective bargaining obligations. Our participants do not have choices among benefit packages: the type of services covered is the same for everyone employed by every employer in that plan. The coverage terms of a plan are determined by the Fund's Board of Trustees, which is made up of an equal number of Union and Employer Trustees; that is to say, coverage terms cannot change without the approval of representatives of the members. Our Summary Plan Descriptions have clear, plain language explaining the coverage in layman's terms.

The SBC Format and the Uniform Glossary Will Confuse our Plan Participants and Will Not Serve the Purpose of the Regulations

We believe that Funds communications (SPDs, SMMs, member magazines) should focus on what are members need to know about their benefits. The SBC requirement would divert our members' attention to issues that are not relevant to accessing their health coverage. Most of the SBC is dedicated to illustrating the cost to the participant, both in general and in various scenarios. Again, our members don't need that information, because they are not deciding among coverage options. The Uniform Glossary (UG) also appears to contemplate individuals with typical insurance plans. We believe that defining deductibles, coinsurance and other cost-sharing, concepts that are not relevant or meaningful to our participants, would confuse our participants. Moreover, we already have a comprehensive definitions section in our plan description, and having a separate, stand-alone Glossary would confuse our members and misdirect their attention to irrelevant terms not used in our plan. At the same time, the Glossary does not contain terms specific to the plan that currently in our definition section, such as: Accidental death & dismemberment, annual rate of pay, assignment, COBRA, cosmetic surgery, dependent, newly organized, same-sex partner, trustees, wage class and years of credited service.

The Proposed Regulations Will Create a Significant Expense for the Funds at a Time When We Need to Minimize Costs

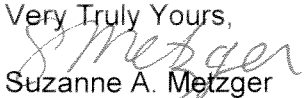
The regulations currently provide that a group health plan must provide an SBC as part of written enrollment materials, upon request (doesn't say upon receipt, 7 days, and "if and when the coverage is renewed." The Funds do not have an enrollment period. Once enrolled, a participant need not re-enroll. Where "renewal is automatic," the SBC must be provided no later than 30 days prior to the first day of coverage in the new plan year, by direct mailing, to every beneficiary's address. The Funds do not have contracts with their beneficiaries, or individual "policies," so nothing is "renewed," and this provision seems inapplicable. If this regulation is interpreted to mean that the Funds must mail every beneficiary a new SBC annually, before the start of the plan year, this will not advance the purpose of the rule, and will create a significant financial burden on the Fund.

Our priority is to use our members' benefit dollars in the most cost-efficient, effective way. We keep our administrative costs very low, spending more than 93 cents of every contributed dollar directly on our members' benefits. However, the mailing requirements place a burden on our administrative, printing and postage costs. Each year, our large funds spend hundreds of thousands of dollars just to meet the requirement of printing and mailing physical Summary Plan Descriptions or SMMS to each of our plan participants.

Conclusion

In sum, the SBC and the Uniform Glossary are not consistent with our SPD, are not necessary and would be confusing for our members. Provision of the SBC and the UG would be also be costly. We suggest that collectively bargained self-insured multiemployer plans should not be subject to these regulations. Alternatively, if we are required to provide SBCs, posting information on our website or sending out electronic communications would be more efficient, less burdensome and far less costly for our plan and, by extension, our members.

Very Truly Yours,



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