

For your benefit



September 23, 2010

Update – Patient Protection and Affordable Care Act

Here is an update of the recent provisions that became effective today. Note that many of these provisions have already been implemented by the carriers serving fully insured plans in MA.

On this Thursday, September 23, a series of health reform provisions impacting employer-based health plans begin to take effect. Among the provisions of the Patient Protection and Affordable Care Act (P.L. 111-148) which become effective for plan years **beginning on or after Sept. 23, 2010**, are the following:

Covering dependents up to age 26. Group health plans with dependent child coverage must make available coverage for the enrollee's adult children who are younger than age 26, regardless of whether or not the dependent is a full-time student, disabled, or married. Note that most MA carriers implemented this provision as of June 1, 2010 for dependents who were still on their parent's plan, but in jeopardy of losing coverage between then and September 23, 2010. For dependents who lost coverage and will now be eligible, they can re-enroll at the annual renewal date of their parent's plan after September 23rd.

Prohibition on lifetime and annual benefits. Lifetime or annual benefit limits cannot be imposed by group health plans. A phase-in rule applies for annual benefit limits and "essential health benefits." MA carriers for the most part have no maximum benefit limitations on fully insured plans.

Prohibition on rescissions of health coverage. Health insurance issuers in the group and individual market may not rescind an enrollee's coverage, except where an individual has engaged in fraud or made an intentional misrepresentation of material fact as prohibited under the terms of the plan or coverage. Again, MA carriers have gone along with this provision for some time on fully insured plans.

Requirement to provide preventive care services. All plans are required to cover, without any cost-sharing, preventive services and immunizations that are recommended by the U.S. Preventive Services Task Force and the Centers for Disease Control (CDC). Also required to be covered, without any cost-sharing, are certain child preventive services recommended by the Health Resources and Services Administration. Not applicable to grandfathered plans. Some carriers are revising their group plans to include zero copay for these preventive services. At your group's renewal after September 23rd, we will provide you with updated benefit information.

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(Patient Protection and Affordable Care Act – Continued)

Expanding patient selection of providers. Effective for plan years beginning on or after Sept. 23, 2010, health insurance plans must allow enrollees to select any participating primary care provider available, including a pediatrician for children, and to cover emergency services provided at a hospital emergency department regardless of the hospital's participation in the plan preferred provider network and without prior authorization requirements. Female enrollees must be able to obtain obstetrical/gynecological specialist services without a referral from another primary care provider. Not applicable to grandfathered plans. These provisions have been part of MA fully insured plans.

Automatic enrollment. Effective on March 23, 2010, employers who have more than 200 full-time employees and who offer one or more health benefit plans are required to automatically enroll new employees in a plan. Automatically enrolled employees must have the opportunity to opt out of the coverage.

If you have further questions at this time, please feel free to contact Rosalyn Seale at rseale@proctorandcompany.com or Brian Donovan at bdonovan@proctorandcompany.com

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