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Legal Alerts

Are You Ready for the Health Care Reform Changes Coming with Your 2011 Plan Year?

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Most employers will really start to feel the impact of the Health Care Reform legislation with their health plans' 2011 plan year. Plan documents, employee communications materials and administrative forms, policies and procedures will need to be revised to bring them into compliance. In addition, employers need to determine whether existing plans can maintain their grandfathered status (and whether it is desirable to do so).

While many employers are relying on their health insurance providers, third-party administrators or brokers to advise them on these issues, you should keep in mind that, in many areas, the Health Care Reform laws and regulations are far from clear. And, the regulators are, quite literally, making up the rules as they go along. All of this uncertainty creates the need for creative, but supportable, interpretations of the rules and, in some instances, interactions with the regulators themselves. We can review your plan documents and employee notices for legal compliance issues and liability management concerns. We can also help guide you and your other advisors through the unclear areas so that you can fashion the right plan features and administrative practices. We can also advocate your position to the regulators if it seems that a rule is ambiguous or has unintended consequences for your plans or your business.

The following is a list of the key provisions that are coming into effect:

New Plans or Non-Grandfathered Plans

- Lifetime limits on benefits prohibited
- Annual limits on essential benefits capped
- No rescissions allowed except for fraud or intentional misrepresentation
- First dollar coverage (no cost sharing) for preventive care (e.g., women's screenings, well child care and immunizations)
- Children must be covered up to age 26, regardless of their tax dependent, student or marital status
- No pre-existing condition exclusions for covered dependents under age 19
- "Claimant-friendly" internal and external claims review and appeals procedures must be adopted and followed
- Emergency services covered at in-network pricing with no pre-authorization required

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- Participants have the right to designate their own primary care provider (including designating a pediatrician as the primary care provider for children)
- Discrimination in eligibility based on salary prohibited
- Provide applicants and enrollees with explanation of benefits and coverage using standardized format and terms set by HHS
- Provide participants with 60-day advance notice of material plan changes
- Report plan's quality of care features annually to HHS and enrollees

Grandfathered Plans

- Lifetime limits on benefits prohibited
- Annual limits on essential benefits capped
- No rescissions allowed except for fraud or intentional misrepresentation
- Children must be covered up to age 26, regardless of their tax dependent, student or marital status, but only if they are not eligible for their own employer-sponsored health coverage
- No pre-existing condition exclusions for covered dependents under age 19
- Provide applicants and enrollees with explanation of benefits and coverage using standardized format and terms set by HHS
- Provide participants with 60-day advance notice of material plan changes
- Provide participants with notice of plan's grandfathered status and its effect on them

Questions?

For additional information, please contact Vince Cacciottoli in our Portland office.

Featured People

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