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# **Group Health Plans: Are You Ready for Healthcare Reform?**

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# Today's Material

- Planning opportunities
- Changes required for 2011
- New disclosure requirements
- Required cafeteria plan amendments
- CHIPRA rights and notice
- Questions

# Planning Opportunities

## Will Your Plan Be Grandfathered?

- Reduced, but still powerful opportunity
  - March 23, 2010
  - At least one employee covered then; at least one still covered
  - No impermissible changes
- Avoids new nondiscrimination testing, preventive coverage, and claims and appeals external review
- Recent relaxation for insurer change

# Planning Opportunities Exemptions

- Refocus on HIPAA exemptions
- Sweeping relief from all group market Healthcare Reform (HCR) changes—but not all of HCR
- Available for:
  - Retiree plans
    - *Recent LTD guidance*
  - Dental and vision plans
  - Supplemental plans

# Planning Opportunities Adult Children

- Sons, daughters, stepchildren, adopted children, foster children
- Must be covered until age 26
  - Encouraged to offer coverage through end of calendar year in which they attain age 26
  - No other restrictions
- Can retain prior restrictions for others—such as grandchildren

# Planning Opportunities Adult Children (Cont.)

- Are you willing (is your TPA able) to have different rules for different children?
- Will you extend to dental, vision, etc.?
- Be certain to update cafeteria plan document (see below) to authorize pretax premiums and status changes for adult children.

# Planning Opportunities

## Mini-Med Plans

- Does your plan violate annual limit rules?
  - Common for older plans, frozen plans, retiree plans, collectively bargained plans, and drug benefits
- Can ask for year-by-year relief until 2014
- 30-day response promise
- Beware of adverse publicity

# Changes Required for 2011

- All plans:
  - Adult children
  - Lifetime limits
  - Annual limits
  - Preexisting conditions (enrollees under 19)
  - Rescission
  - OTC drugs
  - Tax reporting (postponed until 2012)



# Changes Required For 2011 (Cont.)

- Non-grandfathered plans:
  - Patient protections
    - *PCP*
    - *Pediatrician*
    - *OB/Gyn*
    - *Emergency room*
  - Preventive care
  - Claims and appeals
  - Nondiscrimination

# New Disclosure Requirements

- SPD “culturally and linguistically appropriate” language
- Grandfather status
- Special enrollment notice for:
  - Adult children
  - Lifetime limit
- Right to choose provider

# Required Cafeteria Plan Amendments

- Prospective adoption of changes (as seen in proposed cafeteria plan regulations)
  - Adult children
    - *Early adopters delayed until 12/31/2010*
    - *12/31/2010 for adult child pretax and change in status*
  - OTC drug changes 6/30/2011
  - Debit card revisions
  - New CHIPRA special enrollment rights (more detail later)

# Required Cafeteria Plan Amendments (Cont.)

- Subsequent “changes” include:
  - 2013 FSA limit of \$2,500
  - Auto-enrollment (?)

# CHIPRA Rights and Notice

- Remember 60-day rule to enroll
- Required notice by 1.1.2011
- New model notice content for state premiums assistance
  - Recently revised 11.3.2010
- Reflect in cafeteria plan document

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# Questions?

# Contact Information



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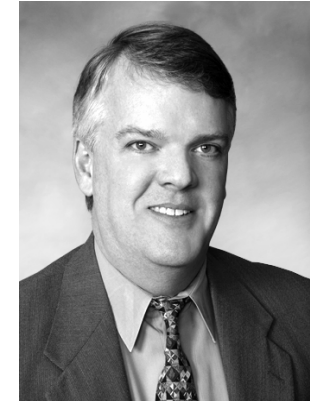
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