



Health Care Reform Update

Below are key provisions of the Patient Protection and Affordable Care Act (PPACA) that will become law on September 23, 2010. These provisions will be made effective upon your group's next renewal date.

Provision	Highlights
Appeals and Grievance Process	<ul style="list-style-type: none"> Insurers and plans must have a standard internal claims and appeal process and external review process. There are language requirements under certain circumstances.
Dependent Coverage to Age 26	<ul style="list-style-type: none"> Policies that cover dependents must cover young adults to age 26 regardless of marital status, student status, resident, financial status, etc.
Doctor Choice	<ul style="list-style-type: none"> Individuals can designate any participating primary care physician as their PCP.
Emergency Care	<ul style="list-style-type: none"> Emergency services generally must be provided at the in-network level if care is received from an out-of-network provider.
Prohibition in Favor of Highly Compensated Adults	<ul style="list-style-type: none"> Insured plans cannot discriminate in favor of highly compensated employees, unless it is based on a reasonable job classification. Penalty applies.
Dollar Limits: Annual and Lifetime	<ul style="list-style-type: none"> Lifetime dollar limits are not permitted on the dollar value of essential health benefits. Restricted annual limits allowed on essential benefits until 2014. After 2014, annual dollar limits will be prohibited.
No Pre-existing Conditions	<ul style="list-style-type: none"> Cannot deny coverage to anyone under 19 based on a pre-existing condition.
Preventive Services Without Cost Share	<ul style="list-style-type: none"> Preventive care services and immunizations must be covered with no cost-sharing.
No Unreasonable Premium Increases	<ul style="list-style-type: none"> In conjunction with states, the Federal Government will establish an annual process to review "unreasonable increases" in premiums for health coverage.
No Rescissions of Coverage	<ul style="list-style-type: none"> Insurers and plans are prohibited from rescinding coverage except in the case of fraud or intentional misrepresentation.
Dependent Coverage (HRAs, HSAs, & FSAs)	<ul style="list-style-type: none"> HRA and FSA funds may be used to cover dependents to age 26 The change in dependent coverage does <u>not</u> apply to HSA funds. HSA funds can only be used for the eligible expenses of tax dependents. The extension of coverage to age 26 does apply to the HDHP
Over-the-Counter Drugs (HRAs, HSAs, & FSAs) (1/1/2011)	<ul style="list-style-type: none"> Purchases of most over-the-counter drugs and medicines <u>on or after 1/1/2011</u>, cannot be reimbursed without a doctor's prescription and store receipt. Some eligible items, such as insulin, diabetic and first aid supplies, will not require a prescription (receipt is still required).
IRS Penalty increase on Health Savings Accounts (1/1/2011)	<ul style="list-style-type: none"> The tax penalty on HSA distributions that are not used for qualified expenses will increase from 10% to 20% of the disbursed amount. This change is effective 1/1/2011 regardless of plan year.