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# ***THE GROUP BENEFIT NEWS BULLETIN***

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## **Obama Care's Six Month Anniversary...Things You Need To Know**

Thursday September 23<sup>rd</sup>, marked the six month anniversary of the passage of the Patient Protection and Affordable Care Act (PPACA) into law. Regardless of your opinion on healthcare reform, this is an important milestone for the law as this is the point that various provisions related to health insurance take effect. For plan years that begin October 1<sup>st</sup> or after, the following provisions are effective at the applicable renewal date:

- Specified preventive care must be available to insureds with no cost sharing, unless designating plan as “Grandfathered”
- Carriers ability to rescind coverage is limited to cases involving fraud or intentional misrepresentations of material fact
- Annual benefit limits on “Essential” benefits cannot be less than \$750,000 per year
- Lifetime benefit limits are no longer permitted, irrespective of “Grandfathered” status
- Dependents may stay on their parents’ plans up to age 26, “Grandfathered” plans may restrict if employer-sponsored coverage is available
- Pre-existing conditions must be covered for children up to age 19
- Although the law does not require carriers to accept children for coverage on a guarantee issue basis, regulators determined this will be required. Whether health plans must guarantee issue children-only policies year-round or only during limited times (e.g., a group’s open enrollment period or the child’s birth month) is an open question. As a result, many carriers have decided to stop offering children-only medical policies.
- Rules concerning discrimination in favor of highly compensated individuals now applies to fully insured plans, the rules already apply to self-insured plans
- Emergent care treatment must be covered at in-network levels regardless of whether the provider is actually in the network
- Carriers must have in place a coverage appeals process
- Plans that require a referral to see a Specialist Physician must allow enrollees to designate any in-network doctor as their primary care physician (including OB/GYNs and pediatricians).

Insurance carriers and actuaries have projected the cumulative additional cost related to the above provisions to be 0.5 – 2.5% additional claims expense depending on current plan design and employer group size.

As always, TBPG will continue to monitor the updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.



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