

# ADVANTAGE

HEALTH PLANS TRUST

2010 USER GROUP MEETING

SESSION II



# TO GRANDFATHER OR NOT...

## Changes That Disqualify Plans from Grandfathered Status

Plan Element	Disqualifying Change*
Copayment	The greater of an increase of more than \$5 (adjusted for medical inflation since March 23, 2010) or an increase above medical inflation plus 15 percentage points.
Deductible	An increase above medical inflation (since March 23, 2010) plus 15 percentage points.
Out-of-Pocket Limit	An increase above medical inflation (since March 23, 2010) plus 15 percentage points.
Co-Insurance	Any increase in the co-insurance rate after March 23, 2010.
Annual Limit	Any decrease of an annual limit that was in place on March 23, 2010, disqualifies a plan. Adoption of a new annual limit for plans that did not have one on March 23, 2010, also disqualifies a plan.**
Employer Premium Contribution Rate (in group plans)	A decrease of more than 5 percentage points below the existing employer contribution rate as of March 23, 2010.
Benefits Package	The elimination of all or substantially all covered benefits to diagnose or treat a particular condition after March 23, 2010.



## Which Affordable Care Act Provisions Apply to Grandfathered Plans?

Provision	Date It Goes into Effect	Does it apply to grandfathered group plans?	Does it apply to grandfathered individual market plans?
Young adults can stay on their parents' health plans until age 26	Health plan years starting on or after September 23, 2010*	YES, with one exception: Until 2014, this provision applies only if a young adult does not have another offer of job-based coverage (excluding an offer from another parent's job-based plan).	YES
Prohibition of pre-existing condition exclusions for children under age 19	Health plan years starting on or after September 23, 2010	YES	NO
Preventive services covered with no cost-sharing	Health plan years starting on or after September 23, 2010	NO	NO
Restriction on annual limits in coverage	Health plan years starting on or after September 23, 2010	YES	NO
Prohibition of lifetime limits in coverage	Health plan years starting on or after September 23, 2010	YES	YES
Prohibition against unfair rescissions of coverage	Health plan years starting on or after September 23, 2010	YES	YES
Direct access to OB/GYNs without a referral; Pediatricians can be classified as primary care providers; Enrollees must have choice of primary care providers	Health plan years starting on or after September 23, 2010	NO	NO
No higher cost-sharing for out-of-network emergency services (compared to in-network); No prior authorization requirements for emergency care	Health plan years starting on or after September 23, 2010	NO	NO
Right to internal and external appeals of insurer decisions	Health plan years starting on or after September 23, 2010	NO	NO

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Medical loss ratio requirements for fully insured plans: Insurers must spend a set share of premium dollars on medical care and quality improvements**	2011	YES	YES
Development and use of uniform explanation of coverage documents and standardized definitions for health insurance terms	By March 23, 2011	YES	YES
Prohibition of pre-existing condition exclusions for enrollees of all ages	2014	YES	NO
Prohibition of annual limits in coverage	2014	YES	NO
Prohibition of waiting periods exceeding 90 days for coverage in job-based plans	2014	YES	N/A



# ADDITIONAL COVERAGE REQUIREMENTS

## 2010-2011

### Removing Limits

- Free reign for providers to charge more?

### To Age 26

- Married
- Even if they are offered coverage through job

### Preventative Care

- Includes physicals, well baby care, immunizations and tests
- What will it do to costs?
- What are providers going to charge?

### No pre-existing limits for ANY person under the age of 19

- Includes Employees
- Includes Spouses



# WHAT MORE CAN WE EXPECT?

## Changes in 2011

- W-2 Reporting

## Medical Loss Ratios (2011)

- Affects the fully-insured insurance market
- 80% of premium to be used for claims – less than 100 employees
- 85% for groups of more than 100 employees

## Changes in 2012

- Total Household Income reporting

## Changes in 2013

- Cap on FSA



# WHAT MORE CAN WE EXPECT?

## Changes in 2014

- Minimum Essential Coverage
- Deductibles no higher than \$2,000
- No pre-existing
- Employer Auto Enrollment (200 ee's)
- Exchanges & Individual mandates

## Employer "Pay or Play"

### Fines

- If 1 employee get a plan through the Exchange
- If 1 employee qualifies for subsidy

## Going forward to 2018

- Cadillac Tax Yet to be defined
- Caps on out-of-pocket?



# QUESTIONS

