



## Health Care Reform Update

July 14, 2010

[www.siho.org](http://www.siho.org)

As you know, the Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010. Since that time SIHO has been sending periodic e-news regarding the provisions of the bill. In order to provide structure, the following timeline will be included with each newsletter; In addition, each newsletter will provide clear and pertinent information about a selected few topics from this timeline **and will be highlighted in red.**

### Immediately

- Grandfather Status
- Small Business Health Insurance Tax Credit
- Reinsurance Program for Early Retiree Health Coverage (June 1, 2010)
- **High-Risk Pool Coverage (July 1, 2010)**
- **Health Insurance Informational Portals (July 1, 2010)**

### Plan Years Starting on or after September 23, 2010

- Dependent Coverage through Age 26
- No Pre-Existing Condition Exclusions for Children
- No Lifetime Benefit Limits and "Restricted" Annual Limits
- No Rescissions (except Fraud)
- All Emergency Services Covered In-Network\*
- No Cost Sharing for Specific Preventive Services\*

Note: \*Indicates provision does not immediately apply to Grandfathered Group Health Plans.

### 2011-2013

- Increased tax on HSA and MSA Withdrawals not used for Medical Expenses
- Public Long-Term Care Program
- Minimum Loss Ratio (MLR) Requirements
- Comparative Effectiveness Studies Begin
- All Group Plans Must Report Benefits to HHS
- Additional Medicare Tax Levied onto High Income Individuals

### 2014 and Beyond

- Exchanges
- Annual Taxes on Private Health Insurers
- Monetary Penalties for any Individual Failing to Purchase Coverage
- Expanded Medicaid and Tax Credits for Low Income Individuals
- Employer Responsibility Requirements and Free Choice Vouchers
- Guarantee Issue and Guarantee Renewal
- Pre-Existing Exclusions, Annual Limits, and Lifetime Limits Eliminated
- Restricted Underwriting Factors
- Wellness Program Changes
- Excise Tax (2018)

## High-Risk Pool Coverage (July 1, 2010)

The PPACA law created a mandate for coverage for high risk individuals. Coverage is now being offered through the Pre-Existing Condition Insurance Plan (PCIP) and applications are being accepted. The law gave each state the choice to either administer these new coverage pools at the state level with federal funding or to leave the entire process up to the Department of Health and Human Services (HHS). Twenty-one states, including Indiana and Kentucky, have elected to opt out of program administration, instead deferring to HHS.

To be eligible for coverage under PCIP, an individual must meet the following three criteria:

- Must be a citizen or national of the United States or lawfully present in the United States.
- Must have been uninsured for at least the last six months.
- Must have had a problem getting insurance due to a pre-existing condition.

In addition to a monthly premium, participants must pay other costs, including a \$2,500 deductible for covered benefits (except for preventive services). After the deductible is met, participants must pay a \$25 copayment for doctor visits, \$4 to \$30 for most prescription drugs, and 20% of the costs of any other covered benefits. Out-of-pocket costs cannot be more than \$5,950 per year. More info is available at [www.pcip.gov/](http://www.pcip.gov/)

## Health Insurance Informational Portals (July 1, 2010)

The first phase of the PPACA online informational portals has been completed and the website is now live at [www.healthcare.gov](http://www.healthcare.gov). The website provides information on a board range of topics and is geared towards the general public and health insurance consumers.

In preparation for the website, health insurers were required to submit basic information, such as health services offered, provider network coverage, and prescription services about all available coverage plans. Consumers can use the site to search for appropriate coverage based on health status and location.

The second phase of the website is scheduled to be completed by October of this year and will include more detailed plan coverage information and price estimates. It is believed that the Exchanges, scheduled to begin in 2014, will be able to replicate the structure created by these information portals for consumers shopping for coverage.

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Please be aware that the regulations surrounding this legislation have not yet been finalized. These regulations usually take several months to be drafted and accepted as the intent of this legislation is understood and clarified.

You are receiving this message as courtesy of the SIHO Insurance Services Communications Team. If you have questions or comments specific to newsletter distribution, please contact Chris Asher ([Chris.Asher@SIHO.org](mailto:Chris.Asher@SIHO.org)) or Andrew Kirk ([Andrew.Kirk@siho.org](mailto:Andrew.Kirk@siho.org)). If you wish to be removed from this newsletter, please reply directly to this message asking to 'unsubscribe'

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