



INSURANCE
SERVICES



Health Care Reform Update

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Wellness Implications of Health Care Reform

There are several measures in the new health care law that affect employer based wellness programs. These include the following.

- Within six months of enactment, qualified health plans will be required to provide, at a minimum, coverage without cost sharing for preventive services as outlined by the Department of Health and Human Services (HHS) including recommended immunizations, preventive care for infants, children, and adolescents, and additional preventive care and screenings for women.
- With appropriations beginning in fiscal year 2011 and extending for five years, grants will be provided to small employers that establish wellness programs. Technical assistance and resources will be provided to evaluate employer-based wellness programs. Within two years of enactment, a national worksite health policies and programs survey will be conducted to assess employer-based health policies and programs.

Temporary Reinsurance for Early Retirees

The new law requires the Secretary of HHS to establish a temporary reinsurance program to provide reimbursement to participating employment-based plans for a portion of the cost of providing health insurance coverage to early retirees during the period beginning on the date on which such program is established and ending on January 1, 2014.

Who is an early retiree?

The term “early retiree” means individuals who are age 55 and older but are not eligible for coverage under Medicare, and who are not active employees of an employer maintaining, or currently contributing to, the employment-based plan.

What is an employment-based plan?

The term “employment-based plan” means a group health benefits plan providing coverage to “early retirees” that is maintained by one or more current or former employers, employee organization, a voluntary employees’ beneficiary association, or a committee or board of individuals appointed to administer such plan, or a multiemployer plan.

What are the eligibility requirements for employment-based plans?

The plan must:

1. implement programs and procedures to generate cost-savings with respect to participants with chronic and high-cost conditions;
2. provide documentation of the actual cost of medical claims involved;
3. be certified by the Secretary;
4. submit an application for participation in the program, at such time, and in such manner, and containing such information as the Secretary shall require.

What will be the program payments?

The HHS will reimburse plans with a valid claim for 80 percent of the portion of the costs attributable to such claims that exceed \$15,000, with the limitation that the claim must not be less than \$15,000 nor greater than \$90,000.

Department of Health and Human Services offers online answers

The Department of Health and Human Services is holding weekly webchats devoted to answering questions about the new health care law. The meetings are held on Wednesday evenings at 7 p.m. EDT. The chats are available at www.hhs.gov/live. Questions can be submitted in advance by sending an email to Healthreform@hhs.gov. In addition, answers to some common questions can be found at HealthReform.gov/about/answers.html.

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