



**MANAGED BENEFITS**  
INCORPORATED

## HealthCare Reform Workshop

Follow Up Q & A  
June 2010

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The following Q & A is representative of the MBI June Workshops and subsequent discussions. The list is not intended to be an exhaustive guideline for HealthCare Reform in its entirety.

### General Questions

Question: What are the Exchange Plan deductibles and limits?

*Answer:* It appears for small group plans the deductible max is \$2000/single, \$4000/family. The market norm will probably end up being the Bronze (60% of full actuarial value), Silver 70%, Gold 80% and Platinum 90%. The cost of sharing and actuarial values has not addressed.

Question: Do you foresee small employers dropping health insurance coverage altogether?

*Answer:* Potentially. The legislation is intended to prevent this type of situation. There is a small business tax credit designed to help with increased financial burdens.

Question: When will male and female underwriting be no longer separated?

*Answer:* 2014

### Grandfathered Health Plans

Question: If you make a material modification change between March 23, 2010 and September 23, 2010, will you lose grandfathered status?

*Answer:* Yes

Question: If you move between carriers, will you lose your grandfathered status?

*Answer:* Yes for fully insured. If self insured, the act of changing TPAs should not remove grandfathered status, assuming any changes fall within reform tolerances.

Question: Do the changes regarding grandfathering status apply to employers regardless of size?

*Answer:* Yes

### **Health Insurance Carrier Minimum Loss Ratios**

Question: Are self insured affected

*Answer:* No

### **Benefits for Nursing Mothers**

Question: Is this in effect right now?

*Answer:* Yes

Question: Is the minimum number of employees considered company wide or location specific?

*Answer:* Company wide

Question: Do you need a room in each building for campus setups.

*Answer:* No

Question: How far away can the room be from the employee?

*Answer:* The law does not provide any guidance except to state that they are required "each time such employee has need to express the milk." While further guidance from the Department of Labor may be forthcoming, in the meantime employers must immediately begin to comply with the requirements of the law, and alert managers to the fact that breaks and space must be provided in response to requests.

### **Early Retiree Re-insurance Program**

Question: Are spousal claims included in the reimbursement potential?

*Answer:* Yes

Question: Is the employee supposed to communicate claims that may qualify for re-insurance to the employer?

*Answer:* The Carrier is going to need to track this to report to the employer.

### **Pre-existing Condition Coverage for Individual Market**

Question: Can an individual with a pre-existing condition remove themselves from a sponsored plan, remain uninsured for 6 months, and then roll into the Federal High Risk plan?

*Answer:* Yes

### **Increases in Dependent Coverage**

Question: My company received a letter regarding dependents that failed to qualify as of June 1, 2010, giving us the option to opt in or out of this provision. Why would a company opt out of complying with this?

*Answer:* Potential decreased cost factor

Question: Why would a company not opt out?

*Answer:* Potential increase in administrative responsibilities and issues with employee relations.

Question: Is tax dependency the defining factor for this health care provision?

*Answer:* No

Question: If a child has lost eligibility and is between 18 and 26, can they come back on the plan?

*Answer:* Yes, at renewal beginning October 1, 2010

Question: Who can be on the plan?

*Answer:* Only the actual dependent, not the dependents spouse or children.

Question: How will newborn delivery claims be handled?

*Answer:* Information has not been released yet

Question: If a grandparent is the legal guardian of a grandchild, is the grandchild eligible?

*Answer:* Yes. Legal guardianship will dictate dependency status.

Question: Will potential rate increases affect a specific group or will it trend across all groups?

*Answer:* Most likely will trend across all groups.

### **Coverage of Preventive Care**

Question: Is there a place to find a list of preventive care services and their ratings?

*Answer:* Yes

The Guide to Community Preventive Services  
<http://www.thecommunityguide.org/index.html>

The Guide to Clinical Preventive Services  
<http://www.ahrq.gov/clinic/cps3dix.htm>

### **Out of Network Emergency Services Coverage**

Question: When does this take effect?

*Answer:* October 2010

### **Health Plan W-2 Reporting**

Question: Will insurance carriers help with the compiling of premium data to fulfill this requirement?

*Answer:* Possibly, but employers need to be prepared to ensure that the information is accurate. This will only apply for medical, dental, and vision insurance premiums.

### **Qualified Medical Expenses**

Question: When is the effective date of this change?

*Answer:* Claims incurred on or after January 1<sup>st</sup>, 2011

## **CLASS Act/Community Living Assistance Services and Supports**

Question: Is it pre-tax?

*Answer:* It is not stated as pre-tax

Question: Is it mandatory for employer's to offer?

*Answer:* It is not stated as mandatory

Question: If you offer, do you have to auto-enroll?

*Answer:* The government wants employers to auto-enroll

Question: Can premiums be deducted through payroll?

*Answer:* Yes. CBO estimated premium is \$123/month for a minimum average payment of \$50/day.

Question: When can you enroll?

*Answer:* During the open enrollment periods.

Question: When is this effective?

*Answer:* 2011

Question: What are the premiums?

*Answer:* Premiums have not been fully released. There will be three different plans based on age, income, and student status. Premiums will only be changed by the Secretary. Actual premiums have not been released. If poverty level or a student, premiums cannot be more than \$5 a month.

## **Material Modification of Plan Provision**

Question: What is the definition of a material modification?

*Answer:* The regulations that define material modification have not been released. The burden for determining material modification should reside with the issuer, not the employer of with a self-insured plan.

Question: Will the notification be direct to the employee, or will it go directly to the employer?

*Answer:* Information has not been released yet

### **Increased 1099 Reporting Requirements**

Question: When does this take effect?

*Answer:* After December 31, 2011

### **Employer Waiting Period for Coverage**

Question: How does this affect non-full time employees?

*Answer:* There will be a formula to fully define "full time" status.

### **Employer Wellness Plans**

Question: When does a Wellness Plan positively affect the employer's bottom line?

*Answer:* It depends on the carrier and their wellness rewards, and overall wellness policy. Studies show that properly managed and maintained wellness programs lower overall utilization, which will lower overall future rate increases.