MEDICAL MUTUAL OF OHIO®
CAROLINA CARE PLAN | CONSUMERS LIFE

Healthcare re-FORUM

Healthcare Re-Forum: 2011 Issue No. 1

Additional Guidance for Implementing the PPACA

New Frequently Asked Questions (FAQs) (Part V) were issued on December 22, 2010, by the Departments of Health and Human Services (HHS), Labor and Treasury (the Departments) (http://www.dol.gov/ebsa/faqs/faq-aca5.html) to help clarify the implementation of reforms required by the Patient Protection and Affordable Care Act (PPACA). The FAQs also address implementation of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

Preventive Care Benefits with Value-Based Insurance Designs

Under the PPACA, non-grandfathered individual and group health plans, both fully insured and self-insured, must provide coverage for specified preventive services without requiring cost sharing from patients. The Departments plan to develop guidelines permitting plans to use value-based insurance designs (VBID) incent patients to use higher-value and/or higher-quality services or identified care settings/venues, and have solicited input about how to promote the use of VBID with preventive services.

Can a health plan direct patients toward a particular higher-value care setting/venue?

Yes; however, the health plan must allow individuals to use a different care venue without imposing additional cost sharing if the attending provider determines the higher-value setting is medically inappropriate for a particular patient.

For example, a plan typically charges a $250 copayment for colorectal cancer preventive services performed at an in-network outpatient hospital, but no copayment if the same services are performed at an ambulatory care center. The plan is in compliance as long as it allows the hospital copayment to be waived if a provider determines the ambulatory care center is medically inappropriate for a patient.

Automatic Enrollment in Health Plans

The PPACA requires employers with more than 200 full-time employees to automatically enroll new full-time employees in the employer's health plan and continue enrollment of current employees.

Which Agency is responsible for providing guidance about this provision?

By 2014, the Department of Labor's Employee Benefits Security Administration (EBSA) will work with the Treasury Department to develop rules for determining full-time employee status to implement the automatic enrollment provision. The FAQs state employers do not have to comply with this requirement until EBSA develops regulations.

Dependent Coverage to Age 26

The PPACA extends coverage of dependents to age 26.

Can group health plans charge all individuals age 19 and older a copayment for physician visits that do not constitute preventive services, but waive such copayments for those under age 19?

According to the FAQs, the PPACA does not prohibit coverage distinctions based on age. Therefore, a group health plan can charge a copayment for services that are not preventive to individuals age 19 and over (including employees, spouses and dependent children) while waiving the copay for similar services for individuals under age 19.

[over]

2060 East Ninth Street Cleveland, Ohio 44115-1355 Visit MedMutual.com.

Advance Notice of Material Plan Modifications

By March 23, 2011, the Departments must develop standards for both grandfathered and non-grandfathered plans to use in developing a summary of benefits and coverage explanation to accurately describe their plans' benefits. (These standards have not yet been issued.) By March 23, 2012, individual and group plans, both fully insured and self-insured, must begin to provide to their members a summary explanation that meets the PPACA standards.

When must plans comply with the required 60-day advance notice of material modifications?

The PPACA requires individual and group health issuers to give enrollees 60 days of notice prior to the effective date of any material modifications made to a plan's coverage terms. This advance notice must be given if the change is not reflected in the summary of benefits most recently provided to enrollees.

Individual and group plans, both fully insured and self-insured, are not required to comply with the 60-day advance notice until March 23, 2012.

Mental Health Parity

The Mental Health Parity and Addiction Equity Act (MHPAEA) stipulates that financial requirements and treatment limitations imposed on mental health and substance use disorder benefits cannot be more prohibitive than the requirements and limitations imposed on medical and surgical benefits.

Are small employers still exempt from the MHPAEA requirements? What is a "small employer"?

Group health plans with 50 or fewer employees are still exempt from the MHPAEA requirements.

Who is entitled to receive a copy of the medical necessity criteria for determinations made by the patient's plan or health insurance coverage?

The plan administrator must make the criteria for determining medical necessity for mental health or substance use disorders available to any current or potential participant, beneficiary or in-network provider upon request.

Can individuals obtain the medical necessity criteria used to determine eligibility for medical/surgical benefits?

Yes. Consumers can get information about medical necessity criteria by requesting a copy of their plan documents under the Employee Retirement Income Security Act (ERISA). They can also use the appeals process defined under the Department of Labor's claims procedure rule.

MHPAEA includes an increased cost exemption for plans that make a change to comply with the law and see a cost increase of at least 2 percent in the first plan year beginning after October 3, 2009, or at least 1 percent in any subsequent plan year. How does a plan claim this exemption?

The MHPAEA interim final rules did not include guidance for implementing the increased cost exemption. Until this guidance is provided, the Departments will grant an exemption to plans with increased costs that satisfy the statutory thresholds, following procedures described in the Departments' 1997 Mental Health Parity Act regulations.

Future Topics:

- Additional Guidance for Implementing the PPACA, Part II