

Presentation to American Bar Association
JCEB August 2010 Meeting

National Health Care Reform: Coverage Mandates

Eugene M. Holmes
eholmes@proskauer.com
202.416.5866
August 8, 2010

1 Title of Presentation | File/Slide Number August 10, 2010 Proskauer»

Coverage Mandates –

- Effective Dates: Coverage mandates are effective in the first plan year beginning six months after date of enactment (March 23, 2010). For calendar year plan, no coverage mandate before January 1, 2011.
- Grandfathered Plan and Coverage Mandates
- Collectively Bargained Plan and Coverage Mandates

2 Title of Presentation | File/Slide Number August 10, 2010 Proskauer»

Coverage Mandate – Grandfathered Plans

- 2011 coverage mandates apply to any plan year beginning on or after September 23, 2010.
- Elimination of the pre-existing condition exclusion for children under age 19.
- Elimination of lifetime limits related to “essential health benefits.”
- Reasonable annual limits related to “essential health benefits.”

3 Title of Presentation | File/Slide Number August 10, 2010 Proskauer»

➤ Coverage Mandate – Grandfathered Plans (cont.)

- Restrictions on rescission.
- Coverage must be available for adult children to age 26 (including married children):
 - ✓ only to child not eligible to enroll in other employer provided coverage
 - ✓ not required to cover child of child or spouse of child
 - ✓ immediate favorable tax treatment provided

➤ Coverage Mandate – Grandfathered Plans (cont.)

- Effective January 1, 2014 for calendar year grandfathered plans:
- Dependant coverage required up to age 26.
- Elimination of pre-existing condition exclusions entirely.
- Elimination of annual limits on “essential benefits.”
- Elimination of enrollment waiting periods in excess of 90 days.

➤ Coverage Mandate – Non-Grandfathered Plans

- 2011 coverage mandates apply to any plan year beginning on or after September 23, 2010.
- Elimination of the pre-existing condition exclusion for children under age 19.
- Elimination of lifetime limits related to “essential health benefits.”
- Reasonable annual limits related to “essential health benefits.”
- Restrictions on rescission.

➤ Coverage Mandate – Non-Grandfathered Plans (cont.)

- Dependant coverage required up to age 26 (even if child is eligible to enroll in another employer provided plan).
- Application of IRC Section 105(h)(2) nondiscrimination rules to insured plans.
- Coverage for specified preventive care benefits, with no cost sharing.
- Coverage for emergency services without prior authorization.
- Establishment of internal claims appeals process.

7 Title of Presentation | File/Slide Number

August 10, 2010

Proskauer»

➤ Coverage Mandate – Non-Grandfathered Plans (cont.)

- Effective January 1, 2014 for calendar year non-grandfathered plans:
- Dependant coverage required up to age 26.
- Elimination of pre-existing condition exclusions entirely.
- Elimination of annual limits on “essential benefits.”
- Elimination of enrollment waiting periods in excess of 90 days.
- Cost-sharing limits (not to exceed high deductible health plan limit).
- No discrimination against providers regarding participation in plan.

8 Title of Presentation | File/Slide Number

August 10, 2010

Proskauer»
