

# Healthcare Reform

## ❁ The Patient Protection and Affordable Care Act (Healthcare Reform)

In March 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA) into Federal law. The federal regulations identified by the enactment of the PPACA are expected to have various impacts on employee benefit plan designs, costs, and eligibility over the course of the next four years, with the initial impacts occurring for the State Employee and Retiree Health and Welfare Benefits Program participants on July 1, 2011.

## ❁ NEW! Extension of Young Adult Coverage to Age 26

The PPACA has extended the eligible age limit of children from 25 to 26. A child is defined as an eligible biological, adopted, or step-child for the purposes of PPACA. As a result of health plan changes mandated by PPACA, employees will be allowed to re-enroll dependents who have lost health coverage due to turning age 25. Employees may enroll their adult children during the 2011-2012 Open Enrollment period. Enrollment elections made during the 2011-2012 Open Enrollment period will be effective on July 1, 2011.

The PPACA has required health plans to change eligibility criteria for adult children in the following ways:

- child does not have to reside in your home;
- child is not required to be a student;
- child does not have to be a tax dependent;
- child may be eligible for coverage under his/her own employer;
- child may be married or unmarried.

PPACA does not require coverage for the child's spouse or children; however, the State of Maryland will continue to cover grandchildren.

## ❁ NEW! Open Enrollment will run for 30 Consecutive Days with No Correction Period

### Special Enrollment Notice for Coverage of Children Up to Age 26

Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before or upon attainment of age 25 are eligible to enroll in the State Employee and Retiree Health and Welfare Benefits Program. Individuals may request enrollment for such children during the 30 day Open Enrollment period. Enrollment will be effective July 1, 2011. The child may remain covered until the last day of the month in which he or she reaches age 26, provided all other eligibility criteria are met. For more information contact the Employee Benefits Division at 410-767-4775 or 1-800-30-STATE (1-800-307-8283).

## ❁ NEW! Elimination of Lifetime Maximum on PPO and POS Plans

### Special Enrollment Notice for Individuals Who Have Reached Lifetime Limit

The lifetime limit on the dollar value of benefits paid under the PPO and POS plans no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the plan(s) are eligible to enroll in the plan. Individuals have the 30 day Open Enrollment period to request enrollment. For more information contact the Employee Benefits Division at 410-767-4775 or 1-800-30-STATE (1-800-307-8283) or at [www.dbm.maryland.gov/benefits](http://www.dbm.maryland.gov/benefits).

### ❁ NEW! Primary Care Provider Designation Patient Protection Disclosures

CareFirst Point of Service (POS) generally requires the designation of a primary care provider. You have the right to designate any primary care provider who participates in the network and who is available to accept you or your family members. For children, you may designate a pediatrician as the primary care provider. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact CareFirst at 410-581-3601 or 1-800-225-0131 or [www.carefirst.com/statemd](http://www.carefirst.com/statemd).

You do not need prior authorization from CareFirst or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a healthcare professional in the network who specializes in obstetrics or gynecology. The healthcare professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating healthcare professionals who specialize in obstetrics or gynecology, contact CareFirst at 410-581-3601 or 1-800-225-0131 or [www.carefirst.com/statemd](http://www.carefirst.com/statemd).

### ❁ NEW! Elimination of Cost-sharing for Preventive Care Services

Below are several examples of the types of preventive services requiring no copayment. For the entire list of required preventive care services with no cost share please refer to [www.uspreventiveservicestaskforce.org/recommendations.htm](http://www.uspreventiveservicestaskforce.org/recommendations.htm).

- In-network **well child examination** (newborn through 30 months - 12 visits; 3 years through 21 years - one per plan year) covered at 100% of Plan's allowed benefit with no copayment
- In-network **adult physical examination** (22 years and older) covered one per plan year at 100% of Plan's allowed benefit with no copayment

- In-network **annual GYN examination** at 100% of Plan's allowed benefit with no copayment
- In-network **nutritional counseling and health education** for chronic conditions covered at 100% of Plan's allowed benefit with no copayment
- **Annual screening mammograms** – Age 35-39 one baseline screening, Age 40+ one per plan year
- **Annual influenza vaccine** rendered by in-network provider covered at 100% of allowed benefit

### ❁ NEW! Elimination of Rescission Provisions

The PPACA provides that effective July 1, 2011, your coverage can not be rescinded except –

- in the case of fraud, or;
- an intentional misrepresentation of a material fact.

The State is required to send a thirty-day advance notice of the rescission prior to the termination of your coverage.

### ❁ NEW! Appeals Standards

**Internal claims and appeals process:** Please contact your medical provider for more information. Plan contact information is located in the front of this guide or at [www.dbm.maryland.gov/benefits](http://www.dbm.maryland.gov/benefits).

**External claims and appeals process:** More information regarding the external review process will be forthcoming in a supplemental document which will be available in late April 2011.

### ❁ NEW! Early Retiree Reinsurance Program

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based

health plan for some of the costs of healthcare benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

### A Word About Program Requirements

The State Employee and Retiree Health and Welfare Benefits Program is subject to many federal and State laws and regulations. Complying with these provisions makes it possible for employees to have pre-tax premium deductions in the Program, to have tax-free State subsidies for Active employee and retiree coverage, and to offer benefits like the Flexible Spending Account plans.

Section 125 of the Internal Revenue Code has strict regulations and guidelines for administering the Program. As a new employee who is eligible to participate in the State plans, you have 60 days from your hire date to enroll yourself and the eligible dependents you want to cover, and to submit the required documentation. If you do not enroll during

this period, you must wait until the annual Open Enrollment period held before the next plan year starts. Once Open Enrollment closes, benefit elections (who is covered, coverage level, and plan) are locked in for the entire plan year. Changes can only be made during Open Enrollment for the next plan year or if you experience a qualified change in status.

Qualified status changes include marriage, birth, adoption, divorce, death of a spouse, death of a dependent, moving outside of the health plan network, loss of other coverage, etc. If you experience one of these events and wish to make a change to your benefit elections, you must contact your Agency Benefit Coordinator or the Employee Benefits Division immediately. Your benefit election changes must be consistent with the status change event. For example, if you get married, you may add your spouse to your medical plan. You must make your changes and submit all required documentation within 60 days of the event. Under the regulations, we cannot accept changes received more than 60 days after the event. Please refer to our website for a detailed list of qualified status changes.

We must abide by the regulations and cannot allow changes to elections after Open Enrollment closes. **Please be sure to make your changes early in the Open Enrollment period to leave time for review and correction of those elections if necessary.**