

CLIENT ALERT

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As we move into the last quarter of the year, employers will start to feel the true brunt of the regulations of the Patient Protection and Affordable Care Act (PPACA), as amended by the Health Care and Education Reconciliation Act of 2010 as they renew on or after September 23, 2010.

Along with plan and coverage changes brings additional requirements that need to be included in enrollment material, summary plan descriptions and plan documents.

In general, the notices outlined below are required to be included in all enrollment material and must be provided no later than the first day of the plan year on or after September 23, 2010.

NOTICE REQUIREMENTS

✓ Special Enrollment Notice for Dependent Coverage of Children Up to Age 26

Group Health Plans that offer dependent coverage must make coverage available to children up to age 26. Plan sponsors must provide a special **enrollment** notice. The special **enrollment** notice outlines the child's enrollment rights. This information may be included in the regular enrollment material as long as the information is prominent.

If the plan is grandfathered the notice should explain that, until the plan year beginning on or after January 1, 2014, only children who are not eligible for other employer-sponsored group coverage may enroll (*). **This notice is required of all Group Health Plans**

(*) Horizon BC/BS of New Jersey has elected not to differentiate between grandfathered and non-grandfathered plans. Therefore, any otherwise eligible child may be enrolled regardless of that child's eligibility under their own employer sponsored plan.

✓ Special Enrollment Notice for Individuals Who Have Reached Lifetime Limit

Group health plans may no longer impose lifetime limits on "essential health benefits". Individuals who reached a lifetime limit under the plan and are otherwise still eligible for coverage must be given written notice of their special enrollment rights. The rights allow a 30 day enrollment period for a person who may have dropped the plan due to reaching a limiting dollar amount. This information may be included in the regular enrollment material as long as

the information is prominent and delivery to an employee on behalf of a dependent is acceptable. **This notice is required of all Group Health Plans, but to only to those affected.**

Applicable to Grandfathered Plans:

✓ Notice Regarding Plan's Grandfathered Status

On June 14, 2010, the Department of Health and Human Services provided guidance as to what plan changes constitute loss of “grandfathered” status. The loss of grandfathered status is retroactive to plans that made changes on or after March 23, 2010. (See CHB Client Alert 6-2010).

In addition to limiting plan changes and contribution amounts, an additional requirement to maintaining status as a grandfathered health plan is a Notice to the plan participants that the plan is considered grandfathered as defined by PPACA.

ADDITIONAL SPD REQUIREMENTS

Applicable to Non-Grandfathered Plans:

✓ Patient Protection Disclosure

Plans that provide coverage within a provider network must notify participants of their right to choose a primary care provider or a pediatrician from the network. In addition, the participant must be allowed to seek obstetrical or gynecological care without prior authorization.

The notice must be provided whenever the plan or issuer provides a participant with a summary plan description or other similar description of benefits under the plan or health insurance coverage.

✓ Notice of Rescission of Coverage - Look for a separate Client Alert coming soon.

Link to Model Notices:

<http://www.dol.gov/ebsa/healthreform/index.html>

Or go online at www.chb-group.com under Client Alerts

Additional Information:

<http://www.healthcare.gov/>

Disclaimer: this Client Alert is not meant to advise you of your entire obligations under PPACA or to serve as legal advice. This material is provided as guidance only. If you would like more complete information, please do not hesitate to contact our office or your attorney.