

ACCLAIM NEWS

Fall 2010

Acclaim's new customer service initiative

includes keeping our members informed of recent changes related to health care reform. Our goal is to direct you to some specific information sources where you can learn more about what has happened and will happen in the future. As always, if you have any questions, please call our office and we will be happy to assist you.

Extending Coverage for Young Adults

Effective for health plan years beginning on or after September 23, 2010

Under the new law, young adults will be allowed to stay on their parent's plan until they turn 26 years old. (In the case of existing group health plans, this right does not apply if the young adult is offered insurance at work.) Some insurers began implementing this practice early. Check with your insurance company or employer to see if you qualify. Learn more about the young adults insurance policy at www.HealthCare.gov. Click on "Understand the New Law," then "About the Law" and "Young Adult."

Key Points:

- Dependent children will be covered until they reach age 26
- Cannot surcharge
- Married or unmarried
- Must provide notice of special enrollment period

Prohibitions on Lifetime and Annual Limits

Starting with plan years beginning on or after Sept. 23, 2010, a plan or issuer must not establish or maintain lifetime or annual limits on the dollar amount of "essential health benefits" (EHBs) for any individual. However, with regard to annual limits, PPACA provides transition relief prior to January 1, 2014, during which time a plan or issuer may impose "restricted" annual limits on EHBs. (Grandfathered coverage may impose annual limits without regard to the restricted annual limits for plan years beginning before Jan. 1, 2014). The prohibition on annual limits is fully effective for plan years beginning on or after Jan. 1, 2014.

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ePower

Information at your fingertips! ePower is a web-based product available to all members through the Acclaim TPA website. Members can obtain vital information such as eligibility, claim status and drug formularies.

- Go to www.acclaimtpa.com
- Click on "Members"
- Click on "Claim Status"
- Go to "Offline Services" and select "Self Registration"
- Follow steps provided from there

If additional assistance is needed, please contact **Acclaim** at **1-800-317-2324** or **(662) 377-2280**.

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Plans and issuers are required to give written notice that the lifetime limit on the dollar value of all benefits no longer applies and that an individual, if not covered, is once again eligible for benefits under the plan. The following model language can be used to satisfy the notice requirements:

The lifetime limit on the dollar value of the benefits under (insert name of group health plan or health insurance issuer) no longer applies. Individuals whose coverage is ended by reason of reaching a lifetime limit under the plan are eligible to enroll in the plan.

Individuals have 30 days from the date of this notice to request enrollment. For more information contact the (insert plan administrator or issuer) at (insert contact information).

Annual Limits.

Grandfathered plans with lifetime limits on March 23, 2010, may add an annual limit, but it MUST be equal to or greater than the preexisting lifetime limit. Notably, these rules appear to apply equally regardless of whether the annual limit would apply to EHBs or non-EHBs.

Essential Health Benefits

The essential health benefits must include at least the following general categories (sometimes referred to as “minimum essential coverage”), and the items and services covered within the categories:

- ambulatory patient services
- emergency services
- hospitalization
- maternity and newborn care
- mental health and substance use disorder services, including behavioral health treatment;
- prescription drugs
- rehabilitative and habilitative services and devices
- laboratory services
- preventive and wellness services and chronic disease management
- pediatric services, including oral and vision care

Grandfathered Plans

Although grandfathered plans are generally able to avoid many of the new law’s requirements, some key health coverage access and reform provisions will still apply to grandfathered health plans. In reviewing these rules, it is important to focus on the specific effective dates. Some are effective with the first plan year that begins on or after Sept. 23, 2010 (e.g., six months after enactment of the Reform Act). That means Jan. 1, 2011 for calendar year plans. Other provisions are effective for plan years beginning on or after Jan. 1, 2014.

Provisions generally effective Jan. 1, 2011, for calendar year grandfathered plans (technically effective for plan years beginning on or after Sept. 23, 2010):

- **Pre-existing Conditions.** Elimination of pre-existing condition exclusions from group health plans for children under age 19.
- **Dependent Coverage** (for plan years beginning on or after the date that is six months after enactment and before Jan. 1, 2014). Requirement that group health plans provide coverage for adult dependent children up to age 26 only if the child is not eligible to enroll in other employer provided coverage (other than in a grandfathered plan).
- **Rescissions.** Elimination of coverage rescissions. Rescission refers to the practice of canceling coverage after someone has submitted medical claims. Rescission would still be permitted if an individual committed fraud or made an intentional misrepresentation of a material fact.
- **Coverage Limits.** Requirement that group health plans eliminate lifetime maximum limits on coverage of essential benefits and the elimination of certain annual limits. It should be noted, that group health plans will continue to be able to place limits on the amount covered for certain medical procedures.

**For more information, visit
www.HealthCare.gov.**