

Health Care Reform & You

Part of an ongoing series about the impact of Health Care Reform

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This information is a service to our partners. It is not intended to be a comprehensive summary of recent health care legislation nor does it serve as legal advice.

The recently enacted landmark health care legislation has far reaching implications for our industry. AvMed will provide a series of updates to help our partners navigate the changes. Following is a broad overview of key changes that take effect for plan years beginning on or after September 23, 2010.*

Please note: These provisions may affect plans differently depending on the “grandfather” status of the plan. A grandfathered plan is any group or individual policy in effect as of March 23, 2010, the date the health care legislation was passed. The federal government has said grandfathered plans keep this status as long as no major changes are made. However, there is some ambiguity at this time around what changes can be made without affecting grandfathered status.

Expansion of Coverage for Young Adults

- Plans that offer and provide dependent coverage of children shall continue to make such coverage available for an adult child until the child turns 26 years of age (also applicable to grandfathered plans and self-insured plans) (Section 2714). AvMed Health Plans is implementing components of this provision ahead of schedule to ensure recent college graduates do not experience a gap in coverage.

Preventive Care Benefits

- Plans will be required to provide first-dollar coverage for a defined set of preventive medical services without cost to the policyholder or certificate holder (not applicable to grandfathered plans, applicable to self-insured plans) (Section 2713).

Lifetime Limits

- Plans may not establish lifetime limits on the dollar value of benefits; plans may only establish restricted annual limits prior to January 1, 2014, on the dollar value of Essential Health Benefits (also applicable to grandfathered plans and self-insured plans) (Section 2711).

No Pre-ex Exclusions for Children Under 19

- Plans will be prohibited from including pre-existing condition exclusions for dependents under age 19 (also applicable to grandfathered plans and self-insured plans)(Section 2704).

Emergency Services

- Plans will be prohibited from requiring “preauthorization” for emergency health services. A patient cannot be penalized for visiting a hospital outside of the plan’s network for emergency services. The health plan cannot charge the patient a higher co-payment than if the emergency services were provided by an in-network hospital (not applicable to grandfathered plans, but applicable to self-insured plans) (Section 2719A).

Obstetrical and Gynecological Care

- Plans may not require authorization or referral for female patients to receive obstetric or gynecological care from participating providers and must treat their authorizations as the authorization of a primary care provider (not applicable to grandfathered plans, but applicable to self-insured plans) (Section 2719A).

Rescissions

- Rescissions will be prohibited except for instances of fraud or intentional misrepresentations (also applicable to grandfathered plans and self-insured plans) (Section 2712).

Appeals Process

- Plans will be required to implement an internal and external appeals process pertaining to coverage determinations and claims (not applicable to grandfathered plans, applicable to self-insured plans) (Section 2719).

Employer-Specific Provisions

Early Retiree Reinsurance

- Reimburses qualified employers for a portion of the cost of the health benefits they provide for early retirees (55 and older who don’t qualify for Medicare) and their spouses. Program begins June 1, 2010 and ends December 31, 2013. Employers must submit an application to the Secretary of Health and Human Services to determine if they qualify for the program.

Small Group Tax Credit

- Helps small businesses and tax-exempt organizations that primarily employ low and moderate income workers. Must have fewer than 25 full-time equivalent (FTE) employees and average wage of less than \$50,000.

*Source: Florida Office of Insurance Regulation