Get to Know the Health Reform Law: How It Will Impact You and Your Business

Can You Keep the Health Insurance Plan You Have?

October 10, 2012

By: Katie Vlietstra, NASE Director of Government Affairs
kvlietstra@naseadmin.org
History of the Patient Protection and Affordable Care Act (ACA)

• Signed into law by President Obama on March 23, 2010
  – Passed the U.S. Senate on December 24, 2009, passed by reconciliation (needed only 51 votes)
  – Passed the U.S. House of Representatives on March 21, 2010
Do I Have a Grandfathered Plan?

• Did you have your current health insurance plan on/before March 23, 2010?

• Have you been continuously covered on that specific health insurance plan?

• If you answered YES, your current plan meets the minimum requirements to be recognized as a “Grandfathered Plan”
How Does a Grandfathered Plan Differ?

• A Grandfathered health plan is not required to comply with all of the coverage requirements of the ACA, including:
  – Essential Health Benefits coverage (10 areas)
  – Adhere to the process for appealing claims and coverage denial
  – Require access to broader selection of primary care physicians, OB-GYN coverage, or access to out-of-network emergency room services.
Grandfathered Individual Plans

• If you hold an individual health insurance plan (not employer sponsored) since March 23, 2010, your health insurance plan is exempt from the following ACA requirements:
  – Phase out annual dollar limits on key benefits
  – Elimination of pre-existing exclusions for children under 19 yrs old
All Health Insurance Plans Must....

- Employer sponsored and individuals health insurance plans, even if they are grandfathered, must adhere to the following ACA requirements:
  - Prohibited from applying lifetime dollar limits to key health benefits
  - Cannot cancel insurance coverage due to an honest mistake
  - Requires dependent adult children until 26yrs
- Grandfathered plans are not required to comply until 2014 if the adult child is eligible for group coverage outside of their parent’s plan.
Grandfathered Plans Will Face Scrutiny

• Plans can lose their grandfathered status if they:
  – Cut or reduce benefits
  – Raise co-insurance charges (Grandfathered plans cannot increase fixed percentages)
  – Significantly raise co-payment charges (the ACA provides a strict formula tied to medical inflation as to a reasonable increase in prices that plans must follow)
  – Raise deductibles by more than legally allowed by the ACA (again, tied to medical inflation)
  – In the case of an employer sponsored plan, lower the amount paid by the employer
  – Decrease annual dollar limits
Individual Mandate

• Question:
  – Does enrollment in a Grandfathered health insurance plan meet the individual mandate requirement?
    • Yes

• Question:
  – To secure all of the benefits of the ACA, do I have to drop my current plan and move-into the Exchange market?
    • Yes
Additional Questions? Ask The Experts!

– NASE members have the opportunity to utilize our health reform experts via our “Ask the Experts” membership benefit:
   • You can submit written questions and receive invaluable advice!
     – Ask an Expert, today!
– Also, our “Your Voice in D.C.” has the lastest news on the health care reform act!
   • Check it out today!
Final Webinar in Our Series

Health Reform Law and the 2012 Presidential Election

Wednesday, October 17, 2012
2:00pm EST