



2010 HEALTH CARE REFORM UPDATE

Point by Point – Policy Limitation Changes

Prepared by RealCare Insurance Marketing, Inc.

Volume 3

As you know, we are publishing this series of articles on Health Care Reform to help employers understand the effects of the Patient Protection and Affordable Care Act passed in March 2010. We will do our best to provide up to the minute information, but we expect regulations will be clarified over the next few months and will continue to keep you updated as changes are adopted. At present there are over 100 bills pending in Congress that would amend the initial bill. We will keep you informed in the months ahead.

Policy Limitation Changes

The Patient Protection and Affordable Care Act included provisions to end lifetime policy limits and annual limits on some services. In addition, the bill will affect pre-existing condition limitations first for children under 19, then for all.

The Act specified that for plan years beginning on or after September 23, 2010, all group plans would be amended to:

- Remove the dollar value of lifetime limits for any plan participant;
- Restrict the allowable limitations on the dollar value of “essential health benefits.”
- Remove the pre-existing condition limitation for children under age 19.

“Essential Benefits” are still being defined by the Secretary of Health and Human Services. Currently, group plans often limit the annual benefits for: Durable Medical Equipment, Physical and/or Occupational Therapy, and Acupuncture as well as some other areas. Under the new legislation, these limitations will be removed.

For group plans that renew September 23rd and beyond, these new rules will apply at renewal. Insurers are preparing all of the necessary notifications and processes to comply with the legislation. Your insurer will communicate with you directly about changes that affect you at renewal. If your plan renews *before* September 23rd, most of the changes will not affect you until your renewal in 2011.

For information on your specific group, or to find out about your insurance carrier, please contact RealCare Insurance Marketing, Inc. Group Department at (800) 939-8088, Ext. 204

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