



SOLUTIONS LAW PRESS

## HR & BENEFITS UPDATE

### **Key Affordable Care Act Health Plan Coverage Mandates Guidance Issued June 28; Apply ASAP For Early Retirement Reinsurance Program**

**Learn Latest At July 9 Briefing**

June 29, 2010

The Departments of Health & Human Services (HHS), Labor and Treasury on Monday published key interim regulations (Rules”) that interpret and implement the health plan preexisting condition exclusions, lifetime and annual limits, rescissions, and other patient rights provisions generally scheduled to apply to post-September 22, 2010 plan years under the Patient Protection and Affordable Care Act (Affordable Care Act). Today, HHS followed up this guidance release by beginning to accept applications for employers and other program sponsors that want to apply for participation in the Early Retiree Reinsurance Program (ERRP) established under the Affordable Care Act. These two key developments are the latest in a series of other key developments impacting the Affordable Care Act’s group health plan rules...

*To assist concerned business leaders, plan fiduciaries and plan administrators to understand and cope with these new rules, Solutions Law Press author Cynthia Marcotte Stamer will host a teleconference briefing on these new regulations and other Affordable Care Act health plan guidance on July 9, 2010 from Noon. to 1:30 p.m. Central Time. To register or for other details, see [here](#).*

### **Key Guidance On Affordable Care Act Health Plan Coverage Mandates Issued Monday**

On Monday, June 28, 2010 HHS, Labor and Treasury jointly published interim final rules implementing the Affordable Care Act’s Rules on preexisting conditions, coverage rescissions, lifetime and annual dollar limits for essential benefits, and patient choice/access of providers. See [Regulation](#), [Fact Sheet](#), [Patient Protection Model Notice](#), [Lifetime Limits Model Notice](#) and [Dependents Model Notice](#)

The Rule implements and interprets the Affordable Care Act’s restrictions on the use by that group health plans and individual and group health insurance coverage (health plans) which generally:

- Prohibit preexisting condition exclusions and limitations for children under age 19;
- Prohibit arbitrary insurance coverage rescissions;
- Prohibit lifetime dollar limits on essential benefits;
- Restrict annual dollar limits on essential benefits;
- Protect certain choice of physician rights of plan members; and
- Prohibit certain restrictions on emergency services.

Certain plans qualifying as “grandfathered” for purposes of the Affordable Care Act may qualify as exempt from these requirements. Guidance on when plans qualify as “grandfathered” was issued last week.

### **Early Retiree Reinsurance Program Application Opening**

Created by the Affordable Care Act as a bridge to the new health insurance marketplace established by the Exchanges in 2014, this \$5 billion program temporarily will reimburse employers, unions, state and local governments, and nonprofits admitted to the program for a portion of claims paid for early retirees.

The Early Retiree Reinsurance Program will reimburse employers admitted to the program for 80 percent of medical claims costs between \$15,000 and \$90,000 paid for retirees age 55 and older who are not eligible for Medicare, and their spouses, surviving spouses, and dependents. Employers, including state and local governments and unions, who provide health coverage for early retirees are eligible to apply. Program participants will be able to submit claims for medical care going back to June 1, 2010.

Today is the first day HHS is accepting applications. Applications for the program, as well as fact sheets and application assistance can be found [here](#).

### **Other Affordable Care Act Guidance**

The Rule is the latest in a series of recently-issued guidance implementing various health coverage requirements of the Affordable Care Act. It follows closely the publication by the Agencies of regulations about:

- When group health plans and insurance qualify as “grandfathered plans” for purposes of determining deadlines for complying with certain health care reform requirements imposed under the Patient Protection & Affordable Care Act (Affordable Care Act). See [Fact Sheet](#), [Regulation](#), [FAQs](#), [Table](#), and [Model Notice](#);
- Extension of Coverage For Adult Children see [Fact Sheet](#), [Regulation](#), [FAQs](#) and [IRS Guidance](#); and IRS Guidance on Tax-Free Employer-Provided Health Coverage Now Available for Children under Age 27, see [here](#);
- [FAQs on Health Care Reform and COBRA](#);
- IRS Issues Regulations on 10-Percent Tax on Tanning Services Effective July 1, see [here](#);

IRS Guidance On Special Tax Incentives for Small Businesses to Provide Health Care, Hire New Workers, see [here](#), [here](#), [here](#) and [here](#).

### **Register Now For July 9 Teleconference To Catch Up On New Affordable Care Act & Other 2010 Health Plan Changes**

Learn more about this and other Affordable Care Act requirements and how it will impact your group health plan by registering to participate in a special Solutions Law Press teleconference briefing on this and other emerging Affordable Care Act group health plan guidance to be conducted by Cynthia Marcotte Stamer on July 9, 2010 from Noon. to 1:30 p.m. Central Time. To register or for other details, see [here](#).

#### **About Ms. Stamer**

Board Certified in Labor & Employment Law by the Texas Board of Legal Specialization, management attorney and consultant Ms. Stamer is nationally and internationally recognized for more than 23 years of work helping employer and other plan sponsors, insurers, administrators, fiduciaries, governments and others design, administer and defend innovative health and other employee benefit programs and other human resources, compensation and management policies and practices.

As a core focus of her practice, Ms. Stamer works extensively with employer and other health plan sponsors, fiduciaries, administrative and other service providers, insurers, and other clients on health benefit program and product design, documentation, administration, compliance, risk management, and public policy matters. The publisher of Solutions Law Press, Ms. Stamer also publishes, conducts training and speaks extensively on these and related concerns for the ABA, the Bureau of National Affairs and many other organizations. Please join us for what promises to be a most interesting discussion.

The Chair of the American Bar Association (ABA) RPTE Employee Benefits & Other Compensation Committee, a Council Representative on the ABA Joint Committee on Employee Benefits, Government Affairs Committee Legislative Chair for the Dallas Human Resources Management Association, past Chair of the ABA Health Law Section Managed Care & Insurance Interest Group, and the editor and publisher of [Solutions Law Press HR & Benefits Update](#) and other Solutions Law Press Publications, Ms. Stamer also is recognized for her publications, industry leadership, workshops and presentations on these and other health industry and human resources concerns. She regularly speaks and conducts training for the ABA, Institute of Internal Auditors, Society for Professional Benefits Administrators, Southwest Benefits Association and many other organizations. Publishers of her many highly regarded writings on health industry and human resources matters include the Bureau of National Affairs, Aspen Publishers, ABA, AHLA, Aspen Publishers, Schneider Publications, Spencer Publications, World At Work, SHRM, HCCA, State Bar of Texas, Business Insurance, James Publishing and many others. You can review other highlights of Ms. Stamer’s experience [here](#). Her insights on these and other matters appear in Managed Care Executive, Modern Health Care, the Wall Street Journal, the Dallas Business Journal, the Houston Business Journal, MDNews, Kentucky Physician, and many other national and local publications.

If you need help with human resources or other management, concerns, wish to ask about compliance, risk management or training, or need legal representation on other matters please contact Cynthia Marcotte Stamer [here](#) or (469)767-8872.

## Other Resources

If you found this information of interest, you also may be interested in reviewing other recent Solutions Law Press updates including:

- [Key Guidance Issued About New Affordable Care Act Health Plan Requirements; Teleconference Briefing Planned July 9](#)
- [Registration Open For July 9 In "Affordable Care Act & Other Federal Health Plan Guidance Update"](#)
- [HHS, DOL & IRS Rules Define "Grandfathered" Group Health Plans & Health Insurance Coverage under the Patient Protection and Affordable Care Act](#)
- [Stamer Speaks On "Designing Legally Defensible Wellness Programs That Work Amid Changing Federal Regulations" On June 10 in Dallas](#)
- [New Rule Requires Federal Government Contractors To Post New "Employee Rights Under The National Labor" Poster](#)
- [Stamer Speaks June 9 On "Health Care Reform's Implications For Employers, Health Plans & Employee Benefits Practitioners" In Houston](#)
- [Defined Contribution Plans Investing In Publically Traded Employer Securities Face New Requirements](#)
- [CBO Raises Estimated Cost of Health Care Reforms As Employers, Health Plans Brace Costs Of Newly Effective & Impending Mandates](#)
- [Join Project COPE: Help Develop Real Tools To Meaningfully Empower Patients & Improve Health Care Access, Affordability & Quality](#)
- [Unemployment, COBRA Premium Subsidy Temporarily Extended As Congress Mulls Passing Longer Relief](#)
- [Agencies Invite Public To Share Input About Insurer Obligation To Report About Health Premium Use Under Health Care Reform Law](#)

If you or someone else you know would like to receive future updates about developments on these and other concerns, please be sure that we have your current contact information – including your preferred e-mail – by creating or updating your profile [here](#) or e-mailing this information [here](#) or registering to receive our Solutions Law Press distributions [here](#). For important information about this communication click [here](#). If you do not wish to receive these updates in the future, send an e-mail with the word "Remove" in the Subject to [here](#).

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