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Preventive Care Regulations and UMC Health Plans

Introduction

The Patient Protection and Affordable Care Act (PPACA) adds §9815(a)(1) to the Internal Revenue Code, which makes certain provisions of the Public Health Service Act (PHSA) applicable to insured and self-insured group health plans, *including church plans*. The Department of Health and Human Services (HHS), Department of Labor (DOL) and Internal Revenue Service (collectively, the "Departments") have been issuing regulatory guidance under the PPACA and these new PHSA provisions to clarify their meaning and application to plans.

Interim Final Regulations

On July 14, 2010 the Departments released an advance copy of the *Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services under the Patient Protection and Affordable Care Act* (the "Regulations") [**www.healthcare.gov/center/regulations/prevention/regs.html**], to be published in the *Federal Register* on July 19, 2010. The Regulations establish requirements for group health plans regarding preventive health services under §2713 of the PHSA. Generally, the Regulations apply to coverage starting on or after September 23, 2010 (January 1, 2011 for calendar year plans).

Grandfathered Plans

Section 1251 of the PPACA exempts certain plans existing on March 23, 2010 (i.e., "Grandfathered Plans") from many provisions of the PPACA and PHSA. Grandfathered Plans do not have to comply with the Regulations. You can read more about Grandfathered Plans **here**.

Preventive Health Services

Group health plans that are not Grandfathered Plans (and plans that cease to have grandfathered status) must cover the following preventive services that have strong scientific evidence of their health benefits. Further, such plans may no longer charge a co-payment, co-insurance or deductible for these services when they are delivered by a network provider:

- **Evidence-Based Preventive Services:** The U.S. Preventive Services Task Force (USPSTF), an independent panel of scientific experts, rates preventive services based on the strength of the scientific evidence documenting their benefits. Preventive services with a rating of "A" or "B," such as breast and colon cancer screenings; screening for vitamin deficiencies during pregnancy; screenings for diabetes, high cholesterol and high blood pressure; and tobacco cessation counseling will be covered under the Regulations. Notably, the breast cancer screening recommendation made by the USPSTF in November 2009 is not incorporated; instead the recommendation from 2002 will be used until the Health Resources and Services Administration (HRSA) develops new guidelines.

- **Routine Vaccines:** Plans must cover a set of standard vaccines recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, ranging from routine childhood immunizations to periodic tetanus shots for adults.

- **Prevention for Children:** Plans must cover preventive care for children as recommended under the *Bright Futures* guidelines developed by the HRSA with the American Academy of Pediatrics. The types of services that will be covered include regular pediatrician visits, vision and hearing screenings, developmental assessments, immunizations, and screening and counseling to address obesity.

- **Prevention for Women:** Plans must cover preventive care provided to women under both the USPSTF recommendations and new guidelines being developed by HHS through an independent group of experts, which HHS expects to publish by August 1, 2011.

The complete list of recommendations and guidelines that are required to be covered under the Regulations can be found at: **www.HealthCare.gov/center/regulations/prevention.html**.

For 2011, preventive services generally will reflect recommendations issued before Sept. 23, 2009. In subsequent years, plans will have at least one year to cover newly recommended services and may drop coverage of non-recommended services. HHS will update its online list as new recommendations are issued.

Certain Cost-Sharing Allowed

Cost-sharing will still be permitted for coverage of the following:

- **Out-of-Network Services:** If a plan has a provider network, the requirements of the Regulations do not apply to out-of-network providers. A plan may exclude preventive services from—or impose cost-sharing requirements on—these benefits if services are delivered outside of its network.

- **Non-Recommended Preventive Services:** A plan may exclude or impose cost-sharing requirements on preventive services that are not covered by the Regulations.

- **Separate Billing:** A plan may impose cost-sharing requirements if an office visit involving a preventive service or item is billed separately from the preventive service or if the primary purpose of the office visit was not the preventive service or item.

- **Related Treatments:** A plan may impose cost-sharing requirements on a treatment not required under these Regulations, even if that treatment results from a preventive service or item covered under the Regulations.

Unless otherwise specified in the Regulations, plans can limit coverage using reasonable medical management techniques for frequency, method, treatment or setting for a preventive service.

Impact on UMC Plan Sponsors

Beginning on January 1, 2011, if an annual conference determines that it cannot maintain Grandfathered Plan status for its health plan, the plan will have to cease charging co-payments and co-insurance for preventive health care services and will have to cease applying deductibles against the preventive health care services described above. There will be a direct financial impact to plans in lost co-payments and other cost-sharing. In addition, the Regulations may affect a plan's claims

administrators. These Regulations are one of the primary factors in the cost-benefit analysis for annual conferences with respect to the Grandfathered Plan status of their health plans.

HealthFlex Plan Sponsors

Wespath is examining the impact of these Regulations on HealthFlex as it considers the plan's Grandfathered Plan status. We will provide you with more information soon.

More Information

You can find more information about the Regulations at:
www.healthcare.gov/law/about/provisions/services/index.html.

You also can find more about health care reform and all the regulations issued by the Departments at **www.healthcare.gov**.

If you have additional questions, please e-mail us at **healthcarereform@gbophb.org**.
