

BenAlert

BENEFIT TRENDS AND LEGISLATIVE UPDATES

NOVEMBER 2010



HOWITT
Benefit Services

Howitt Benefit Services is pleased to provide you with periodic updates on benefit trends and legislative updates. As part of our valuable services, we want to ensure that you are in compliance and well-informed of the ongoing changes in our industry.

In this BenAlert:

- Communicating Health Care Reform to Employees

As you know, the first provisions of the Patient Protection and Affordable Care Act (PPACA) take effect on the first day of the plan year on or after September 23, 2010. Generally, companies with plan renewals on October 1, 2010 will be the first to feel the effect of the mandates. For companies with calendar year plans, these provisions will begin January 1, 2011. The mandates will affect each employer health plan differently, and Howitt will provide the necessary language to communicate these changes to employees, as mandated by PPACA.

Outlined below are the required PPACA employee communications.

Grandfathered Status – A notice is required only if an employer decides to keep the current plans in place (grandfather) in order to postpone some of the PPACA mandates. The language must be included in benefit communication materials and delivered on or before the renewal date. This statement must also be included in the Summary Plan Description.

Coverage for Adult Dependents to Age 26 – This notice is required regardless of whether or not a plan is grandfathered. Although most carriers allowed graduating students to remain on the plan beginning in May or June, many employers held off implementation until renewal on or after September 23, 2010. The language for dependents who previously lost coverage must be included in benefit communication materials and delivered on or before the renewal date. Employees have 30 days from receipt of the notice to enroll or re-enroll their dependents.

Lifetime Limits – This provision to remove certain lifetime limits will not impact grandfathered plans. An explanation of benefit changes specific to the removal of these limits must be included in benefit communications materials and delivered on or before the renewal date. Changes must also be included in the Summary Plan Description. Employees who have reached their lifetime limits have 30 days from receipt of the notice to re-enroll in your plan.

Patient Protections – Notice must be provided regarding access to OB/Gyn services without a referral and selecting a Primary Care Physician. This applies only to non-grandfathered plans. The language must be included in benefit communications materials and delivered on or before the renewal date. In addition, the language must be included in the Summary Plan Description.

Other required notices that must be distributed annually and therefore can be included in Open Enrollment Communications include:

- * HIPAA Portability and Special Enrollment Rights
- * Women's Health and Cancer Rights
- * CHIP Notice
- * Medicare D Notice of Creditable Coverage (must be distributed by the November 15 Medicare Open Enrollment start date)

We will provide a customized Open Enrollment memo that will incorporate the necessary notices in addition to pertinent health plan open enrollment communication materials. Summary of Material Modification language for the Wrap Summary Plan Description will also be available for distribution along with plan renewals.

If you have questions, please call us at 866-445-1550.

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