


New Law Fact Sheet: Patient Protection & Affordable Care Act/Lifetime & Annual Limits

Item	Detail												
Background	<ul style="list-style-type: none"> Part of Health Care Reform; prohibited from applying limits to lifetime maximums and can have phased-in restricted limits for annual maximums This affects only essential benefits 												
Scope of Law	<ul style="list-style-type: none"> Applies to self-funded groups Applies to Grandfathered plans (caution: there is a delayed effective date until 2014 for grandfathered plans in the individual market) 												
Highlights of the Law	<ul style="list-style-type: none"> Effective Date: plan years beginning on/after September 23, 2010 Prohibits general annual limits on the dollar value with respect to essential benefits. However, allows for restricted benefits (shown below) <ul style="list-style-type: none"> Regs for essential benefits aren't out yet, but on a preliminary basis, we know the following are included: <div style="margin-left: 20px;">  <p>Essential Benefits (preliminary)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Ambulatory Services</td> <td style="width: 25%;">Emergency Services</td> <td style="width: 25%;">Hospitalization</td> <td style="width: 25%;">Maternity & Newborn</td> </tr> <tr> <td>Mental Health & Substance Abuse</td> <td>Rx</td> <td>Rehab & Habilitative Services & Devices</td> <td>Lab</td> </tr> <tr> <td>Preventative</td> <td>Wellness</td> <td>Chronic & Disease Mgmt</td> <td>Pediatric Services includes oral & vision</td> </tr> </table> </div> <ul style="list-style-type: none"> Must treat the definition of essential benefits consistently for both annual & lifetime benefits Non essential benefits may still have annual or lifetime, per individual, dollar limits Plans can still exclude all benefits for a condition; therefore an exclusion of all benefits for a condition is not considered to be an annual or lifetime limit Does not apply to FSA, MSA and HRA (with or without integrated medical) Phased In Schedule for Annual Maximums <ul style="list-style-type: none"> \$750,000 for plan years on/after 9/23/2010 but before 9/23/2011; \$1.25M for plan years on/after 9/23/2011 but before 9/23/2012; \$2M for plan years on/after 9/23/2012 but before 1/1/2014 	Ambulatory Services	Emergency Services	Hospitalization	Maternity & Newborn	Mental Health & Substance Abuse	Rx	Rehab & Habilitative Services & Devices	Lab	Preventative	Wellness	Chronic & Disease Mgmt	Pediatric Services includes oral & vision
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EBS-RMSCO
New Law & Impacts

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	<ul style="list-style-type: none"> • Maximums apply on an individual by individual basis; amounts applied to families can not be allowed to deny a covered individual for the plan year • The maximums above are minimums; higher limits or no limits are permitted
Grandfathered Status Disqualifications	<ul style="list-style-type: none"> • Does not impose overall annual or lifetime on March 23, 2010 but adds them • Imposes lifetime limit, but no annual limit on March 23, 2010 but adds them • Imposes lifetime limit but no annual limit on March 23, 2010 but adopts an overall annual limit that is lower than the lifetime limit on march 23, 21010
Notice Requirements	<ul style="list-style-type: none"> • Participants (subscriber or dependents) who reached a lifetime limit (and are otherwise still eligible) must be provided: <ul style="list-style-type: none"> • A notice stating that the lifetime limit no longer applies • Has to be issued no later than the 1st day the plan year begins on/after September 23, 2010
Special Enrollees	<ul style="list-style-type: none"> • The participants who receive notices must be treated as a special enrollee
Waiver for Limited Benefit or Mini-Med Plans	<ul style="list-style-type: none"> • The notion is to not deny access to needed services and to have a minimal impact on premiums. • A waiver is allowed if the result is a significant decrease in access to benefits or a significant increase in premiums. • There is no guidance about the waiver at this time.
Impact to Clients	<ul style="list-style-type: none"> • Update SPD • Execute Notice <ul style="list-style-type: none"> • EBS-RMSCO can generate a report for members who have reached their max, have disenrolled, and would otherwise be eligible • For clients we took over from another carrier- we can only execute the notice on their behalf for members where we have enrollment & accumulator history on from the previous carrier • Expect increase in stoploss rates