

NEWSLETTER

January 2012

2012 Compliance Dates

Patient Protection and Affordable Care Act (PPACA)

Minimum Annual Plan Limits*

\$1,250,000 for Plan Years beginning on or after 9/23/2011 but before 9/23/2012.
\$2,000,000 for Plan Years beginning on or after 9/23/2012 but before 1/1/2014.

** unless plan has received a waiver*

Summary of Benefits and Coverage (SBC)

The original compliance date of March 23, 2012 has been delayed until final regulations are issued. Health and Human Services has indicated the final regulation will have a delayed implementation date.

60 – Day Notice of Plan Changes

Group health plans and issuers are required to provide a 60-day advance notice of a material modification to the plan as reflected in the Summary of Benefits and Coverage (SBC). A material modification consists of any change in wording of the SBC. It may be sent as a separate notice, or by providing an updated SBC reflecting the modification. This will become effective with the timing of the SBC.

Comparative Clinical Effectiveness Research Fees

A new research fee will be imposed on issuers of health insurance policies and sponsors of self-funded health plans in order to fund a nonprofit corporation, which will undertake clinical effectiveness research relating to patient-centered outcomes. It will include research to evaluate risks and benefits of medical treatments, services, procedures, and drugs that treat, manage, diagnose or prevent illness or injury. The fee will start at \$1 per covered individual for Plan Years ending on or after October 1, 2012. It will increase to \$2 for plans ending after September 30, 2013. Self-funded health plans will pay this fee directly. Insured Plans will have the fee paid by the insurance carrier.

Women's Preventive Care Services

Non-grandfathered plans must now cover women's preventive services without charging a copayment, coinsurance or a deductible effective for plans beginning or renewing August 1, 2012. The services will continue to include well-women visits, in addition to FDA approved contraceptives, breastfeeding support, supplies, and counseling.

Early Retirement Reimbursement Program (ERRP)

HHS Announces End Date for Newly Incurred Claims

With \$4.5 billion of the \$5 billion funding limit disbursed, the ERRP center has instituted an incurred date cut off. Plan Sponsors must not include in their Claim Lists any claim lines for which the incurred date is after December 31, 2011. If health benefit items or services with later incurred dates are submitted, the entire Claim List will be deemed invalid and the Claim List Response File will return errors for those claim lines which have incurred dates after December 31, 2011. The Centers for Medicare & Medicaid Services (CMS) continues to accept ERRP reimbursement requests for claims incurred on or before December 31, 2011. If there are not sufficient funds to pay in its entirety the last reimbursement request that causes the initial exhaustion of the \$5 billion, CMS will use available funds to partially honor that reimbursement request, and will pay the balance of that reimbursement request if additional funds become available. Additional information is available at: <http://www.errp.gov>

Medicare D Creditable Coverage

Disclosure to CMS

Group Health Plans that currently provide prescription drug coverage to Medicare Part D eligible individuals must disclose to the Centers for Medicare & Medicaid Services (CMS) whether the coverage is “creditable prescription drug coverage”. Disclosure to CMS is required whether the entity’s coverage is primary or secondary to Medicare.

An entity is required to provide a disclosure to CMS through completion of the Disclosure to CMS Form (Form CMS-10198) posted on the CMS Creditable Coverage Web Page at http://www.cms.hhs.gov/CreditableCoverage/45_CCDisclosureForm.asp

Disclosure is to be made no later than 60 days after the start of the Plan Year (March 1, 2012 for calendar year plans.)

Note: Plans that have been approved for the Retiree Drug Subsidy (RDS) are exempt from filing the Disclosure to CMS Form with respect to only those qualified covered retirees for which the Plan is claiming the RDS.

If you have any questions, please contact any of the following at (856) 795-7777 or email:

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