June 10, 2010

General Overview

- The Patient Protection and Affordable Care Act, P.L. 111-148, (ACA) was signed on March 23, 2010, by the President of the United States, Barack Obama.
- The Health Care and Education Affordability Act of 2010, P.L. 111-152, the "Reconciliation Bill", was signed on March 30, 2010.
- ACA represents the biggest change in the federal health care system since the enactment of Medicare in 1965.
- ACA contains major provisions addressing coverage expansion, insurance market reforms, premium assistance, creation of health insurance exchanges, delivery system reforms, among others.
- The Reconciliation Measure is a package of amendments to ACA and it contains most of the provisions that address Puerto Rico.

Key Elements 2010

A. Extend ***dependent coverage*** eligibility for children, until the attainment of 26 years of age for all individual and groups policies. *(Effective- September 23, 2010)*

B. ***Temporary reinsurance subsidy program for early retirees*** *with 55 years or more that are not eligible to Medicare coverage.* (2010)

C. No ***lifetime limits*** on the dollar value of benefits. Prohibits unreasonable ***annual limits*** on the dollar value of benefits. Those will be dictated by the Secretary of Health of the United States. *(Effective- September 23, 2010)*

D. Prohibition of ***preexisting condition exclusions*** or other discrimination based on health status for children. *(Effective- September 23, 2010)*

E. Prohibition of ***coverage rescissions***, except in instances of fraud or misrepresentation. *(Effective- September 23, 2010)*

F. Coverage of ***preventive care services*** with $0 cost sharing (deductibles, copayments and coinsurances). *(Effective- September 23, 2010 and Medicare* January 1, 2011)

G. ***Medical loss ratio requirements*** of a minimum of 85% for large groups and 80% for small groups and individual market.(Effective- January 1, 2011)

H. Establish an annual process, by the Secretary of Health and Human Services of the United States, to review ***premiums increases.*** *(2010)*

I. ***$250 rebate*** for Part D Medicare members who enter the donut hole in 2010.

J. Employers will be required to inform the value of the employees' health benefits in the ***W-2 form.*** *(2011)*.

MCS Action Plan

- 1st Information Session for employers, brokers, and agents – June 22, 2010
- MCS FHR Guidance - a series of newsletters that include: overview of dispositions that impact the health insurance industry, procedures and action plans of MCS related to them
- MCS will provide administrative assistance and information to brokers, agents and employers to facilitate the effectiveness and compliance with the implementation of the new regulation, focused in satisfying the needs and interests of employers and subscribers.