

KEEPING CURRENT . . . on COBRA & HIPAA[®]

IS YOUR COPIER A SECURITY RISK?

CBS aired a report on copiers that were sold, or returned after the end of a lease, with private information contained on the hard drives. I strongly suggest you watch the report and update your Security policies. The video may viewed at: <http://www.cbsnews.com/video/watch/?id=6412572n&tag=related;photovideo>

COBRA SUBSIDY UPDATE

A "tax extender" bill was passed by the House of Representatives before the Memorial Day break, but the extension of the COBRA subsidy was stripped out of the measure before passage. This week, the Senate took up the Democratic version of the tax extender legislation and the Senate Republicans have developed their own alternative that also renews tax breaks for businesses and families.

None of the bills (House-passed or either Senate option) includes an extension of the federal COBRA subsidy.

HEALTH CARE REFORM

In May, the Department of Labor's Employee Benefits Security Administration (EBSA) posted the interim final regulation relating to Dependent Coverage of Children to Age 26, and the IRS issued Notice 2010-38 to extend favorable tax treatment for this coverage beyond 2010. This coverage is mandated for all plans effective 09/23/10.

This week, EBSA released the final interim regulation related to grandfathered health plans under the Affordable Care Act. The regulation will be published in the June 17 Federal Register and is open for comment for 60 days from publication.

The interim regulation provides that a group health plan or health insurance coverage in effect on 03/23/10 will lose its grandfathered status if the plan:

- Eliminates all (or substantially all) benefits for a particular condition;
- Increases fixed-amount cost-sharing (other than co-pay) requirements by more than medical inflation + 15% (total measured from 03/23/10);
- Increases copayments by an amount that exceeds the greater of: medical inflation + 15%, or medical inflation + \$5 (total measured from 03/23/10);
- Decreases its contribution rate by more than 5% (total measured from 03/23/10);
- Imposes new annual or lifetime limits; or,
- Includes a statement, in any plan materials provided to a participant or beneficiary describing the benefits provided under the plan or health insurance coverage, that the plan or coverage believes it is a grandfathered health plan within the meaning of section 1251 of the Patient Protection and Affordable Care Act and must provide contact information for questions and complaints. (Model language is included in the regulation.)

Grandfathered will not lose their status of they:

- Renew participant coverage;
- Allow participants to add dependents; or,
- Allow new participants to enroll.

The full regulations, Fact Sheets and FAQs may be accessed at www.dol.gov/ebsa

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