

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

BOWEN EARNS REBC DESIGNATION

Marlene Bowen has earned the Registered Employee Benefits Consultant[®] (REBC[®]) professional designation from The American College, Bryn Mawr, PA. Candidates for the REBC[®] designation must complete five courses and ten hours of supervised examinations.

The REBC[®] program was established in 1990 to raise professional standards and improve the methods of selling and servicing employee benefit plans. The subject matter covered by the program includes group benefits, retirement plans, managed care and other health insurance topics, compensation and personnel management.

Marlene H Bowen, LUTCF, RHU, REBC, established MEHRINGER & ASSOCIATES in 1989, and offers fee-based consulting services in Employee Benefit Regulation Compliance, specializing in HIPAA and COBRA. The company also offers state approved continuing educational programs for companies and industry associations in Indiana and Kentucky.

COBRA SUBSIDY EXTENDED THROUGH MAY

On April 15, 2010, the President signed into law the Continuation Extension Act (CEA), which includes an extension of the COBRA premium subsidy for eligible individuals who are involuntarily terminated from employment through May 31, 2010. The new law also provides retroactive eligibility for individuals who lost their jobs after the prior COBRA subsidy expired on March 31, 2010.

Updated model notices are available at www.dol.gov/ebsa and tThe Continuation Extension Act may be found at: www.dol.gov/ebsa/pdf/HR4851.pdf

HEALTH CARE REFORM

The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care Reconciliation and Education Act (HCERA) was signed into law on March 23, 2010.

The new health plan standards take effect in two phases for plan years beginning on September 23, 2010 and January 1, 2014, with delayed effective dates for certain collective bargaining plans. The new health plan standards apply to both insured and self-funded health plans, but not dental and vision plans.

The following mandates apply to all plans, effective for plan years beginning on or after September 23, 2010:

- Offer coverage to dependents until age 26 if they do not have access to other group health coverage; coverage is tax-free (effective immediately) until the end of the year of the dependent's 26th birthday
- No pre-existing exclusions for children under 19
- No waiting periods over 90 days
- Restricted annual dollar limits on "essential health benefits"
- No lifetime limits (generally)
- For insured plans, loss ratios must be a minimum of 80% if 100 or less employees and 85% if over 100 employees

The law allows plans to be grandfathered if they were in place prior to March 23, 2010. Grandfathered plans are permitted to enroll new employees and the spouse and dependents of current plan participants. However, the act does not specify how a plan will lose its grandfathered status.

The following mandates apply to new plans, and all plans not grandfathered, effective for plan years beginning on or after September 23, 2010:

- No discrimination in favor of highly-compensated employees
- Must provide certain preventative services with no OOP cost to the participant
- Must establish internal & external appeals process and notification
- Emergency services must be covered as in-network with no pre-authorization requirements
- Must allow designations of any participating Primary Care Physician or Pediatrician
- Must not require pre-authorization or referral for OB/GYN

This article provides an overview of mandates effective in 2010. Future articles will discuss mandates with unclear effective dates, as well as those effective after 2010.

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