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Frequently Asked Questions – Health Care Reform

(The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act)

This information was compiled for information purposes only and is not intended to serve as legal advice. If you have any questions about how to comply with The Patient Protection and Affordable Care Act (“PPACA”), you should consult your legal counsel. Regulations and guidance on specific provisions of PPACA will be provided by the Department of Health and Human Services (“HHS”) or other appropriate agencies at a later time. The answers below reflect the most accurate and up-to-date information and are subject to change.

Q. What is a grandfathered health plan?

A. A grandfathered health plan is an existing group health plan or individual health insurance coverage in which a person was enrolled on the date of enactment of PPACA, March 23, 2010. Grandfathered plans are required to comply with some, but not all, provisions of PPACA.

Q. Can changes be made to a plan that will not convert its status as a grandfathered health plan to a “new” plan?

A. The PPACA specifically states that new employees or dependents can be added to a plan without jeopardizing the plans grandfathered status. Other than that, the Act does not address what type of changes might cause a plan to lose its grandfathered status. BlueCross will continue to look for further guidance from the HHS Secretary on this issue.

Q. When will BlueCross plans expand coverage for dependents up to age 26?

A. Although the PPACA requires the extension of the dependent age limit to 26 for groups with plan years effective or renewing Sept. 23, 2010, or later, BlueCross will extend its dependent age limit to 26 effective June 1, 2010. All fully insured groups with renewal dates of June 1, 2010 or later can allow subscribers to add coverage for eligible dependents up to age 26 at the time of open enrollment. Covered dependents anticipated to “age-off” on May 1, 2010 or later will be allowed to remain as a covered dependent. The extension of coverage will remain in effect until the dependent reaches the age of 26, as long as the dependent continues to qualify under other PPACA and BlueCross eligibility guidelines.

BlueCross will also extend its dependent age limit to 26 to members of its individual health plans effective June 1, 2010. Currently covered members may request a dependent be added by completing a change form (does not apply to short-term health).

The PPACA requirement and effective date apply to self-funded groups, but they may also elect to include coverage for dependents up to age 26 prior to the Sept. 23, 2010 effective date.

Q. Will coverage terminate for dependents that reached age 24 under fully insured plans in April 2010?

A. If the dependent had coverage under the parent's plan on April 30, 2010 the coverage will continue until the dependent reaches age 26, as long as all other eligibility requirements are met. If the dependent did not have coverage under the parent's plan on April 30, 2010, then the coverage will terminate.

- Q.** What is the definition of a dependent under the PPACA as it relates to the extension of dependent coverage to age 26?
- A.** The PPACA directs the HHS Secretary to provide the definition of "dependent" in regulations to be published at a later date.
- Q.** When will BlueCross cover pre-existing conditions for people **under age 19**?
- A.** Group plans, including self-funded, will cover pre-existing conditions for people under age 19 beginning with plan years effective or renewing Sept 23, 2010 or later. Individual policies not subject to grandfather provisions will also begin with effective dates of Sept 23, 2010 or later. BlueCross is still assessing specific details of the grandfather provisions to determine how individual grandfathered plans will be administered.
- Q.** When will BlueCross cover pre-existing conditions for people **over age 19**?
- A.** Group plans, including self-funded, will cover pre-existing conditions for people over age 19 effective Jan. 1, 2014. Individual plans not subject to grandfather provisions will also begin with effective dates of Jan. 1, 2014 or later. BlueCross is still assessing specific details of the grandfather provisions to determine how individual grandfathered plans will be administered.
- Q.** Who should an applicant contact if they are denied for health coverage?
- A.** Applicants who are denied coverage and wish to explore other options may contact their broker, AccessTN (Tennessee's program for the uninsurable -- 866-636-0080; www.covertn.gov) or visit the HHS informational website which must be established no later than July 1, 2010, according to the PPACA.
- Q.** Can self-funded groups continue to require children to be a "dependent" living in the household?
- A.** This question does not have an answer yet because the PPACA directs the HHS Secretary to provide the definition of "dependent" in regulations to be published at a later date.
- Q.** What is the early retiree reinsurance program?
- A.** The early retiree reinsurance program, created by the PPACA, will provide \$5 billion in subsidies to help employer plans provide coverage to certain retirees.
- For early retiree reinsurance program information provided by the White House, [click here](#).
- Q.** How long will the early retiree reinsurance program last and when can companies apply for the early retiree reinsurance program funds?
- A.** The program is scheduled to begin June 23, 2010, and last until Jan. 1, 2014. Indications are that the funds will be distributed on a first-come-first-serve basis. Claims may be submitted only after a group has applied for the program with HHS and has been certified to participate.
- Q.** How can companies apply for the early retiree reinsurance program funds?
- A.** The first step in the application process is for a company to become a certified participant in the early retiree reinsurance program. However, the procedures for obtaining certification and for filing claims have not yet been communicated by HHS. It is expected that HHS will publish application forms by late June. HHS has indicated that applications with errors will be rejected and a corrected, resubmitted application will be considered in the order the revised application was received.

- Q.** Will BlueCross file for the retiree reinsurance subsidy on behalf of its groups?
- A.** Our intention is to assist our customers in every possible way with their efforts to obtain the subsidy. However, before we can determine our best role in this process, we need further clarification and/or published regulations from the HHS Secretary regarding claim documentation and filing requirements on this new program.
- Q.** Do the provisions described in PPACA apply to individual short-term coverage?
- A.** No. PPACA does not apply to short-term plans. However, BlueCross has made the decision to allow dependents up to age 26 apply for coverage under their parents' short-term plan beginning June 1, 2010.
- Q.** When must the limit on the dollar value of **lifetime** benefits be lifted?
- A.** The limit on the dollar value of lifetime benefits must be lifted for plan years beginning Sept. 23, 2010.
- Q.** When must the limit on the dollar value of **annual** benefits be lifted?
- A.** Individual policies that have grandfathered status can continue to enforce annual limits. All other plans (e.g., group insured, self-funded, non-grandfathered individual) can have "restricted annual limits" (to be defined later by the HHS Secretary) until Jan. 1, 2014, at which time no annual limits will be allowed.
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