IMPLEMENTING HEALTHCARE REFORM

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How Healthcare Reform Affects You And Your Family

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On March 23, 2010, the Patient Protection and Affordable Care Act, better known as healthcare reform, was signed into law. This new law will phase in significant changes in healthcare coverage in the United States. To help make sense of how healthcare reform could affect you and your family, CoreSource, the administrator of your health plan, is providing information about the new federal requirements and a timeline showing when they become effective.

You may already be familiar with some healthcare reform regulations that have generated a lot of attention from the media. Over the next several years, the new law requires employer-sponsored health plans to:

:: Allow dependent coverage for adult children up to age 26

:: Cover members with pre-existing conditions

:: Bar lifetime maximums (benefits available to you during your lifetime) for certain essential benefits (like hospitalization, emergency services, prescriptions, etc.)

:: Restrict annual maximums (amount you pay out-of-pocket) for certain essential benefits

:: Require all U.S. citizens to have qualifying health coverage

How does healthcare reform affect employer-sponsored plans?

- Lifetime maximums are banned on essential health benefits. These benefits will include hospitalization, maternity and newborn care, mental health and substance abuse treatment, and prescription drugs.
- Some restrictions will be placed on annual limits on essential health benefits.
- Health plans may not withdraw coverage, except in cases of fraud or intentional misrepresentation.
- Health plans must extend coverage to young adults until age 26, if the plan offered dependent coverage.
- Coverage cannot impose maximums or be denied due to a pre-existing condition for covered enrollees younger than 19.
- Hospitals are required to publicize a list of standard charges for the items and services they provide.

Changes to your health plan in 2011

Members can still be reimbursed by Medical Flexible Spending Arrangements (FSAs) for over-the-counter (OTC) medications, but some rules change in 2011.

Beginning Jan. 1, 2011, members must provide a written prescription or letter from a physician, before they can be reimbursed for OTC drugs, medicine and biologicals (medical therapy derived from a biological source such as antibodies, enzymes and hormones). Currently, members do not need a written prescription to be reimbursed.

Also, debit cards linked to these plans can no longer be used for OTC medications, as of Jan. 1, 2011. Debit cards can continue to be used for prescription drugs, medical supplies and other qualified medical expenses.

Changes to your health plan in 2013

Effective Jan. 1, 2013, employee contributions to Flexible Spending Arrangements (FSAs) are limited to $2,500 per year. Beginning in 2014, that amount will be adjusted annually for inflation.

Changes to your health plan in 2014

- All U.S. citizens and legal residents are required to have qualifying health coverage. There is a phase-in tax penalty for those without coverage.
- Dependent coverage must be provided for adult children up to age 26, whether or not they are eligible for other employer-sponsored coverage.
- No one can be denied coverage based on pre-existing conditions.
- Annual maximums are banned for essential benefits.
- Waiting periods greater than 90 days are not allowed.
- Coverage cannot be dropped and routine care cannot be restricted for participants in clinical trials.
- Non-elderly U.S. citizens who earn 133 percent or less of the federal poverty level become eligible for Medicaid.

We'll keep you current!

CoreSource will continue to provide updates about the impact of healthcare reform on you and your family as new information becomes available. For more information, visit www.coresource.com and follow the link on healthcare reform from the home page.

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