

Important Notes Regarding PPACA Requirements

- Many of the requirements are for plan years beginning six months after enactment.
- The requirements may apply to new plans or grandfathered plans. The PPACA (the Act) defines grandfathered plan as a “group health plan or health insurance coverage in which an individual was enrolled on the date of enactment of the Act.”
- Insured plans are generally subject to state regulations and mandates. Certain states may have already enacted provisions that are similar to those included in PPACA.
- Self-insured plans have significantly greater freedom with their benefit design and plan provisions.

“6-Month” Reforms: Impacting Group Benefit Programs

(For Plan Years Beginning On or After Six Months After Enactment)



PPACA would impose several significant new requirements including:

This chart is not intended to be actuarial, legal or other advice. To accurately understand how the Act may impact your plan, please consult your actuary, lawyer, insurance carrier, or other consultant.

This chart is intended to provide an estimate of the financial impact of the required changes.

	Applies to		Estimated Financial Impact					Self Funded
	New Plans	Grand-fathered Plans	Insured					
			IL	IL HMO	NM	OK	TX	
Lifetime Limits: Prohibits lifetime dollar limits.	✓	✓	1%	0.0%	0.0%	1%	1%	Approximately 1% based on common lifetime limits.
Annual Limits: Restricts annual dollar limits on essential health benefits to HHS-defined amount until 2014; prohibited in 2014.	✓	✓	0.5%	0.0%	0.5%	0.5%	0.5%	Approx 0.5% based on common plan provisions.
Children’s Pre-Ex: Prohibits denying coverage due to pre-existing condition for children under age 19, and limits waiting periods to 90 days.	✓	✓	0.0%	0.0%	0.0%	0.0%	0.0%	Minimal to no impact due to HIPAA
Dependent Age: Requires allowing dependents to remain on coverage until age 26	✓	✓*	0.0%	0.0%	0.25%	1.0%	0.25%	Approximately 1.0% for age limits of child to age 19, student to age 26. More generous definitions will have smaller financial impact.
Preventive Care: Requires full coverage of preventive care services.	✓		0.5% -	0.5% -	0.5% -	0.5% -	0.5% -	Impact will vary based on preventive services currently covered.
Emergency Services: Requires same cost-sharing in/out of network, coverage w/o pre-auth, and prudent layperson.	✓		0.0%	0.0%	0.0%	0.0%	0.0%	Plan likely already has these provisions.
OB/GYN Access: Requires direct access to OB/GYNs for female enrollees.	✓		0.0%	0.0%	0.0%	0.0%	0.0%	Little to no impact for plans that do not already have this provision.
PCP/Pediatrician Choice: Requires choice of any participating PCP accepting new patients; choice of pediatrician	✓		0.0%	0.0%	0.0%	0.0%	0.0%	Little to no impact for plans that do not already have this provision.

*For plan years before 2014, grandfathered group plans only would have to offer extended coverage if the dependent was not eligible for other group coverage