

# Certain Health Insurance Reforms Go Into Effect as of September 23

On September 23, 2010, the Patient Protection and Affordable Care Act, part of the recently enacted health care reform law, went into effect for insurance plans that begin on or after this date. Health care reforms beginning Sept. 23, 2010 include:

- **No pre-existing condition exclusions for children under age 19:** requires insurers to cover children of insured patients. "Grandfathered health plans" established before March 23, 2010, may continue their existing policy until 2014, at which time all health insurance discrimination based on pre-existing conditions are prohibited.
- **No arbitrary rescissions of health insurance:** insurers cannot rescind policies except in cases of patient fraud or intentional misrepresentation. All health insurers are subject to this new rule.
- **No lifetime limits on health insurance coverage:** The new provision prohibits lifetime limits on any plan issued or renewed after Sept. 23.
- **No annual limits on coverage:** Similarly, annual limits will be gradually phased out. Initially, health insurance plans will not be able to set annual limits lower than \$750,000 per year. That minimum limit rises to \$1,250,000 next year on Sept. 23, 2011, and \$2,000,000 the following year. Beginning Jan 1, 2014, annual limits will be prohibited for most health plans.
- **Protecting choice of health care provider:** Patients will have the option to select and keep a primary care doctor from among the insurance company's participating provider network.
- **Adult children covered to age 26.** Children will have extended access to health insurance coverage under their parents' health insurance plan until age 26, unless they qualify for health insurance through their employer.

Other reforms gradually become effective until 2014 when all provisions of the new health care act go into effect. Last week, Insurance Commissioner Poizner shared useful tips and information with consumers about the impact of the Patient Protection and Affordable Care Act provisions. Here it is:

## [Commissioner Poizner Offers Tips to Consumers About the Impact of Federal Health Care Provisions Going Into Effect Today](#)

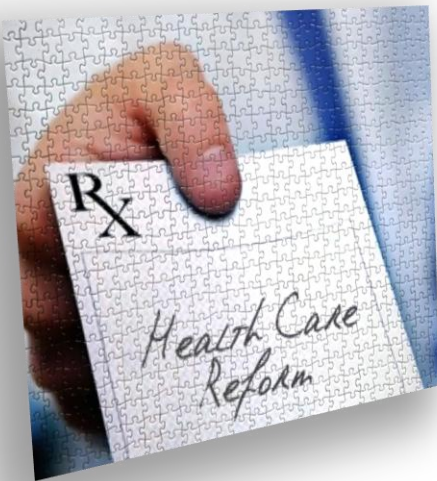
Insurance Commissioner Poizner today shared useful tips and information with consumers about the impact of the most recent Patient Protection and Affordable Care Act (PPACA) provisions which go into effect today.

"There are many new provisions of the federally-passed health care reform bill, and they can be difficult to interpret," said Commissioner Poizner. "Here are some tips and guidelines to help consumers understand how this federal legislation will directly impact them. And if anyone has a question about their health insurance, they can call our Consumer Hotline at 800-927-HELP."

Commissioner Poizner offered the following tips to California consumers:

### Coverage Changes

- Annual and Lifetime Limits - At the new plan year, plans may not contain lifetime limits on essential benefits. This provision applies to all plans. Annual limits will be phased out through 2014 for most plans. Check with your insurance company to see if this applies to your policy before you renew.
- Rescissions - Rescission is when an insurance company retroactively cancels your policy. The PPACA bans rescissions except in cases of fraud or intentional misrepresentation of material fact. You must be notified prior to the cancellation. This provision applies to all types of health insurance plans.



- Preventive Health Services - A wide range of preventive care including immunizations, well baby and child screenings, and well women exams must be covered without cost-sharing. For an exact list of what preventive services are available without cost-sharing, contact your insurance company.

- Adult Dependent Coverage - Plans that cover dependent children must extend coverage until the child's 26th birthday. This applies to all types of plans, however before 2014, group health plans will be required to cover adult children only if the adult child is not eligible for employer-sponsored coverage. Adult children cannot be charged more than any other dependent.

- Preexisting Condition Exclusions - Beginning Sept. 23, 2010, children under 19 years of age cannot be denied coverage or benefits based on medical status or past illnesses. This applies to most plans including individual plans.

### Consumer Protection Changes

Primary Care/Preapproval -Plans must:

- Allow you the choice of any primary care provider available (if you are required to designate a primary care physician).
- Provide covered emergency services without prior approval, regardless of whether the provider is in-network.
- Limit cost-sharing on emergency services by nonparticipating providers to the same amount as that of a participating provider.
- Allow female patients to receive obstetric or gynecological care from a participating provider and treat their authorizations the same as that of a primary care provider.
- Allow children to receive care from a participating pediatrician and treat their authorizations the same as that of a primary care provider.

### Effective Date

- The changes beginning Sept. 23 include expanded coverage and new consumer protections. If they are not spelled out in the documentation you receive from your insurance provider or employer, talk with your employer's plan administrator or your health insurance company about how these protections will apply to your coverage and what new options you may have.
- If you have health insurance coverage through an employer, these new benefits and protections will be added to your policy at the next policy renewal after Sept. 23.
- If you purchased an individual health insurance policy on your own, the effective date is a bit more complicated. If your insurer has specified a "policy year" for your coverage, the new provisions will become effective on that date. Otherwise, the new benefits and protections will be added on the date when annual deductibles and annual limits reset each year. If your policy does not have an annual deductible or annual limit, these changes will become effective on Jan. 1, 2011. If you have questions about when these provisions will become effective for your policy, contact your insurance company.

You can also find more information about the PPACA and how it will affect you today and in the future on the National Association of Insurance Commissioners website by going to the special health reform section at [http://www.naic.org/index\\_health\\_reform\\_section.htm](http://www.naic.org/index_health_reform_section.htm). Here you'll find the latest information on the PPACA implementation; an FAQ for consumers, employers and seniors on the health care reform; timelines for implementation and much more.



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