

Legislative Highlights

July 2013



BlueCross BlueShield
of Illinois

HHS Releases Proposed Rule on Exchanges

On June 14, 2013, the U.S. Department of Health and Human Services released a [proposed rule](#) focused primarily on oversight and integrity standards for state health insurance exchanges (also known as health insurance marketplaces) and issuers offering coverage in the federally facilitated exchanges. It also proposes additional standards for the advance payment of the premium tax credit and cost-sharing reductions and premium stabilization programs.

Comments are due 30 days after publication in the *Federal Register*.

We are currently reviewing the proposed regulations and will provide more information as it becomes available.

HHS Final Rule Delays Part of SHOP Exchange; Revised SHOP Applications Released

In a [final rule](#) released on May 31, the U.S. Department of Health and Human Services (HHS) delayed a portion of the Small Business Health Options Program (SHOP) exchange until 2015. SHOP is an exchange created by the Affordable Care Act (ACA) for small businesses and their employees. **However, the final rule, which takes effect on July 1, does not delay the entire program.**

Through the SHOP exchange (also known as a marketplace), small employers will be able to buy health coverage for their employees. Small businesses may also be eligible for the Small Business Tax Credit.

Final Rule Delays Part of SHOP Exchange

According to the final rule, employee choice will be delayed in the federally facilitated exchange and will be made optional for state-based exchanges in 2014; employers may select one plan for employees in 2014 in federally facilitated exchanges. The final rule also delays the premium aggregation function of the federally facilitated SHOP exchanges for 2014. When implemented, premium aggregation will allow a SHOP exchange to collect payments from multiple sources and submit them to the carrier, rather than having small businesses pay the insurer directly.

Under the final rule, state-based SHOP exchanges will still be able to offer either employee choice or employer choice in 2014. It would also allow those SHOP exchanges to defer premium aggregation until 2015.

SHOP Exchange Special Enrollment Periods

The final rule also addresses special enrollment periods. In the individual exchanges, individuals will have 60 days from the date of the triggering event to select a qualified health plan (QHP). In the SHOP exchange, a qualified employee or dependent will have 30 days from the date of most triggering events to select a QHP. A qualified employee or dependent who loses eligibility for Medicaid or the Children's Health Insurance Program (CHIP) or who has become eligible for Medicaid or CHIP would have a 60-day special enrollment period.

Revised SHOP Applications Released

Additionally, the Centers for Medicare and Medicaid Services (CMS) released revised employer and employee SHOP applications. The [employee application](#) is three pages; CMS estimates it will take about 10 minutes to complete. The [employer application](#) is four pages; CMS estimates that it will take about 15 minutes to complete this application.



Federal Government Releases FAQs on Exchange Oversight

The Centers for Medicare & Medicaid Services (CMS) released [FAQs](#) on government oversight of state-based exchanges (also known as state-based marketplaces) and issuers on the exchanges. Among the issues addressed:

- Monitoring and oversight measures related to premium stabilization programs, advance payments of the premium tax credit and cost-sharing reductions.
- Enforcement on federally facilitated exchanges of issuers' ongoing compliance with exchange-specific standards.
- Recordkeeping and audit requirements for state-based exchanges.
- Security standards for state-based exchanges and entities such as navigators, agents, brokers and other assistance personnel.
- How to structure plan variations for Qualified Health Plans that are high-deductible health plans designed to be paired with a health savings account.

Affordable Care Act: Summary of Benefits and Coverage (SBC)

New SBC Tool Release Date

The new SBC tool release date is scheduled for July 15, 2013, for Brokers, Producers and Group Administrators. The new Summary of Benefits and Coverage (SBC) Tool link will be available on Blue Access for Producers (BAP) and Blue Access for Employers (BAE).

This new tool allows users the continued access to the standard group SBCs. Enhancements include the ability to:

- Customize "Coverage for" selection;
- Customize "Coverage Period" selection; and
- Access the Spanish SBC.

The new SBC Tool will replace the current SBC PIVOT tool in early August.

A Demo of the New SBC Tool is now available for you to view:

<https://hcsc.webex.com/hcsc/ldr.php?AT=pb&SP=MC&rlD=124139617&rKey=843f5f7222a93c58>.



Affordable Care Act Frequently Asked Questions

We regularly receive a number of questions regarding Affordable Care Act (ACA) regulations and the impact ACA will have on both employers and members. In an effort to continue offering timely information to accounts, we are sharing Frequently Asked Questions about ACA. If you have additional inquiries about the law, please reach out to your account representative.

Essential Health Benefits

Insured small group plans that are non-grandfathered and individual policies that are non-grandfathered must cover Essential Health Benefits (EHBs) beginning in 2014. While large, self-funded and grandfathered plans are not required to offer EHBs in 2014, if they offer these benefits they must meet certain cost-sharing requirements.

Q. Will adult dental insurance be required as an essential health benefit in 2014?

A. There are no ACA provisions that would require coverage of dental services for adults. The law only requires pediatric dental coverage as an EHB for non-grandfathered fully insured small group and non-grandfathered individual plans with plan/policy years beginning on or after Jan. 1, 2014.

Summary of Benefits and Coverage

Q. When do we expect the SBCs for 2014 to be available?

A. Blue Cross and Blue Shield of Illinois received the information from the U.S. Department of Health & Human Services on April 23 regarding the updates to the SBC template. We are working on the updates and will provide information as soon as the SBCs are available.

Q. If employer groups put their SBCs on their website for participants and beneficiaries, does that satisfy their obligation to provide the SBC? Do they also need to email the SBC to each participant and beneficiary to satisfy the law? Does this rule apply for open enrollment?

A. Posting the SBC on a company website without notifying employees may not be sufficient to satisfy the obligation to provide an SBC to each participant and beneficiary. This applies to enrollment or renewal.

The SBC may be provided electronically if:

- The format is readily accessible.
- The SBC is provided in paper form, free of charge, upon request within seven days.
- The employer notifies its employees via paper form (such as a postcard) or email that the documents are available on its website.

Wellness Incentive

Q. Has the final rule been released on Wellness Incentive Increases?

A. Yes. On May 29, 2013, the U.S. Departments of Health and Human Services (HHS), Labor and the Treasury issued [final rules on nondiscriminatory wellness programs](#) in group health coverage under the Affordable Care Act (ACA). The rules address both health-contingent and participatory wellness programs. Group health plans and all health insurance issuers must comply with the final rules for plan/policy years starting on or after Jan. 1, 2014. Read more details in the [May 30 News Alert](#).

*This information is a high-level summary and for general informational purposes only.
The information is not comprehensive and does not constitute legal, tax, compliance or other advice or guidance.*