

**Health Care Reform:
Coverage of Preventive Services**

August 2010

On July 19, 2010, regulations were published for the Patient Protection and Affordable Care Act (PPACA), which describe coverage for preventive services. These regulations prohibit the imposition of cost-sharing requirements with respect to the preventive services that non-grandfathered plans are required to make available to participants. Grandfathered plans are exempt from this mandate. Additional information regarding grandfathered plans, as well as other PPACA topics, are available on Keenan's Health Care Reform Resource Page at:

<http://www.keenan.com/press/hcReform2010.asp>.

COVERAGE OF PREVENTIVE HEALTH SERVICES – NON-GRANDFATHERED PLANS

Non-grandfathered plans must cover specific preventive services without any cost sharing requirements such as co-payments, coinsurance or deductibles. The mandated preventive services are detailed in the Web site created by the Department of Health and Human Services, at:

<http://www.healthcare.gov/center/regulations/prevention/recommendations.html>

The mandated preventive services are based on three broad guidelines described under the PPACA which references specific government organizations responsible for each set of guidelines.

- Evidence-based items or services in the current recommendations of the United States Preventive Services Task Force¹;
- Immunizations for routine use in children, adolescents and adults that have in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention; and
- Evidence-informed preventive care and screenings for (i) infants, children, and adolescents; and, (ii) women, as provided for in comprehensive guidelines supported by the Health Resources and Services Administration.

Services that are identified as included in the preventive service mandate may change over time. Therefore, plan sponsors will be expected to review the Web site annually to keep up with these changes. However, mandated preventive services do not have to be covered until the first day of the plan year beginning one year after the date the updated recommendation or guideline is issued. Similarly, plan sponsors do not have to cover items or services that are dropped from the list. Notices of these changes to employees may be required.

¹ Limited to recommendations that are Graded A or B by the U.S. Preventive Services Task Force

COST-SHARING REQUIREMENTS

- If an item or service is billed separately (or is tracked as individual encounter data separately) from an office visit, then the plan may impose cost-sharing requirements with respect to the office visit.
- If an item or service is not billed separately (or is not tracked as individual encounter data separately) from an office visit and the primary purpose of the office visit is the delivery of such an item or service, then a plan may not impose cost-sharing requirements with respect to the office visit.
- If an item or service is not billed separately (or is not tracked as individual encounter data separately) from an office visit and the primary purpose of the office visit is not the delivery of such an item or service, then a plan may impose cost-sharing requirements with respect to the office visit.

OUT-OF-NETWORK PROVIDERS

A plan that has a network is not required to provide benefits for preventive items or services that are delivered by an out-of-network provider. Moreover, a plan may impose cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

MEDICAL MANAGEMENT

A plan may use reasonable medical management techniques to determine the frequency, method, treatment or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

TIMING

Coverage for mandated preventive items or services must be provided for plan years beginning on or after September 23, 2010 for guidelines that are at least one year old as of that date. Guidelines issued after September 23, 2009 must be at least one year old on or before the beginning of future plan years before they must be implemented.

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