

# HealthReform

From the Blues' Office of National Health Reform



Nonprofit corporations and independent licensees  
of the Blue Cross and Blue Shield Association

## Required Special Enrollment Period coming in November

Some of your employees and their dependents may be eligible under the Patient Protection and Affordable Care Act (PPACA) to be added or re-enrolled in a health plan this fall.

Employers are required to hold a Special Enrollment Period for individuals impacted by two PPACA provisions—the extension of dependent coverage to age 26 and the removal of lifetime dollar limits.

### Who Can Enroll?

#### 1. Eligible dependents by birth, marriage, legal adoption or guardianship up to age 26:

- Newly eligible adult dependents whose coverage previously ended
- Adult dependents who were previously denied coverage
- Individuals who were not eligible for coverage because their dependent coverage ended before they turned 26

**Dependent eligibility is no longer limited by financial dependency, marital status or enrollment in school.**

#### 2. Individuals whose coverage previously ended because they exceeded a lifetime dollar limit under their plan and are otherwise eligible for coverage.

### When is the Special Enrollment Period?

BCBSM and BCN will hold the Special Enrollment Period from **Nov. 1, 2010 through Nov. 30, 2010.**

- The Special Enrollment Period is only for newly eligible dependents and those who previously exceeded their lifetime dollar limit.
- The coverage effective date for enrollment is Jan. 1, 2011, unless your group has a plan year between Sept. 23, 2010, and Dec. 31, 2010. The coverage effective date for those groups is the start of the plan year.
- If your group routinely conducts your Open Enrollment during the 4th quarter, then you may use your annual Open Enrollment period to enroll eligible dependents and those who have previously exceeded their lifetime dollar limit, as long as the Open Enrollment is at least 30 days in duration. If your group has a documented plan year between Jan. 2, 2011, and Sept. 22, 2011, you can use your normal Open Enrollment period as long as it is at least 30 days in duration.

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*The information in this document is based on BCBSM's review of the national health care reform legislation. It is not intended to impart legal advice. Interpretations of the reform legislation may vary. This overview is intended for informational and educational purposes only and does not replace a more rigorous review of the law's applicability to individual circumstances and attendant legal counsel and should not be relied upon as legal or compliance advice. Analysis is ongoing and additional guidance is also anticipated from the Department of Health and Human Services. Additionally, some reform regulations may differ for particular members enrolled in certain programs such as the Federal Employee Program, and those members are encouraged to consult with their benefit administrators for specific details. All of the benefit and rating changes outlined in this document are subject to OFIR approval.*

## How does the Special Enrollment Period work?

Groups that are enrolling newly eligible dependents and individuals that previously exceeded their lifetime dollar limit should follow their normal enrollment process.

To enroll an eligible dependent:

IF	THEN
<b>Your group has Family Continuation (FC) coverage</b>  <b>Note:</b> FC coverage referenced in this document is only related to medical coverage.	<ul style="list-style-type: none"><li>• BCN groups should add or re-enroll eligible dependents with an effective date of Jan. 1, 2011, as a regular dependent</li><li>• BCBSM groups should add or re-enroll eligible dependents with a coverage effective date of Jan. 1, 2011, as an FC dependent. However, BCBSM will automatically change all FC dependents to regular dependents in the system on Jan. 1, 2011.</li></ul> <p><b>After Jan. 1, 2011, the group must add all dependents as regular dependents. For groups that submit regular eligibility files, the FC dependents must be switched to regular dependents effective Jan. 1, 2011. The FC rider will no longer be available in accordance with standard group underwriting guidelines.</b></p>
<b>Your group has Dependent Continuation (DC) coverage</b>	Group should add or re-enroll the eligible dependent with an effective date of Jan. 1, 2011, as a regular dependent.
<b>Your group has neither FC or DC coverage</b>	Group should add or re-enroll the eligible dependents with an effective date of Jan. 1, 2011, as a regular dependent.
<b>Your group is ASC NASCO</b>	Group should add or re-enroll the eligible dependents with an effective date of Jan. 1, 2011, as a regular dependent.

## Talk to your employees

Educate employees about the extension of adult dependent coverage and the removal of lifetime dollar limits.

Communicate the opportunity to enroll during the Special Enrollment Period to employees impacted by these two PPACA provisions.

## Additional takeaways

- **Grandfathering:** Health plans in existence prior to March 23, 2010 are considered grandfathered. However, the extension of dependent coverage to age 26 and the removal of lifetime dollar limits apply to both grandfathered and non-grandfathered health plans under PPACA. Therefore, all groups must hold a Special Enrollment Period in order to comply with the regulations.  
**Note:** Until 2014, employers who are considered grandfathered have the option of excluding employees' adult children from coverage if they are eligible for coverage under their employer's health plan.
- During this Special Enrollment Period, employees with newly eligible dependents will also have the option to switch the entire contract to a different plan offered by the group.
- Underwritten groups renewing as of Jan. 1, 2011, will be charged based on the membership classification of each contract (i.e. One Person, Two Person, for Family coverage).
- Self-insured groups will be responsible for claims paid on behalf of members added to their employee contracts.

**All BCBSM groups must remit their December payment to advance their January paid to date before they are able to enroll a new member.**

**For additional details on the BCBSM and BCN implementation of the PPACA near-term benefit requirements, visit [bcbsm.com/healthreform](http://bcbsm.com/healthreform) or ask your BCBSM sales representative or agent.**

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