

Health reform: What you're not getting

By Parija Kavilanz, senior writer

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NEW YORK (CNNMoney.com) -- If you gloss over your benefits materials at open enrollment this year, you may be setting yourself up for a nasty surprise at the doctor's office.

Many self insured companies will be exempted from some of health reform's key benefit improvements.

Under reform your boss is supposed to fully cover the cost of your family's preventive care, including immunizations and annual exams. But you may be stunned to learn that even though that's the law, you may still be on the hook for these expenses, said Sunit Patel, senior vice president of Fidelity's Benefits Consulting Services, whose clients include Time Warner (TWX, Fortune 500), the parent company of CNNMoney.

Most employers will likely inform their workers of such benefit exclusions during the upcoming September-October open enrollment.

One of the first things employees need to look for in their benefits packet is whether or not their plan is "grandfathered," said Michael Browning, vice president of strategy for benefits consulting firm Chapman Kelly. "This term isn't familiar to most people but it is very important in the context of reform." Under reform, health plans that existed on March 23, 2010 are "grandfathered," meaning they are exempt from implementing some of the law's new provisions. However, plans will lose their "grandfather" status if insurers significantly cut benefits or increase out-of-pocket spending. Plans that lose this status will have to apply all of the changes required by the law. If your plan is "grandfathered," here are some new benefits that won't apply to your coverage:

Free preventive care: The new legislation eliminates co-payments and co-insurance in 2011 for preventive services.

Unrestricted doctor choice: Under reform, plans must allow pediatricians and obstetrician/ gynecologists to get a primary care physician (PCP) status. This effectively eliminates the requirement for patients to get prior-authorization from their insurer or a doctor's referral to see a pediatrician or OB/GYN.

Level charges for emergency services: The new health law requires that insurers remove prior authorizations for ER services. Also, insurers cannot charge higher co-payments or co-insurance for out-of-network providers for an ER visit, said Tom Billet, senior consultant with human resources consultancy Towers Watson. Billet's clients include Time Warner.

Cover dependents until age 26: The legislation mandates that insurers will have to provide dependent coverage up to age 26 for all individual and group policies. However, Browning said grandfathered plans can refuse this coverage if the adult dependent has coverage available through his or her own employer.

"It's important to note that the dependent doesn't have to be taking the coverage, they only have to have an offer of coverage from their own employer," he said.

Patient-friendly appeals process: "This is a big one," said Patel. Under reform, insurers have to establish new internal and external appeals processes for claims. While a claim is under appeal, your insurer has to continue to pay your claims, and continue paying for subsequent treatment, until the matter is resolved, he said.

If the process finds that the employee's claims are not valid, then the employee will have to reimburse the insurer.

Industry watchers said many large self-funded employers will maintain the grandfather status for next year's health plans although they expect some companies will lose that status in 2012 through 2018 when the health law becomes fully implemented.

"So there is some silver lining for employees," said Patel.

http://money.cnn.com/2010/08/03/news/economy/health_care_benefits_exclusions/

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