TEXAS MEDICAL ASSOCIATION

Physicians Caring for Texans

VISION: To improve the health of all Texans.

MISSION: TMA supports Texas physicians by providing distinctive solutions to the challenges they encounter in the care of patients.

TMA Division of Medical Economics

Preventive Health Coverage Mandates Under the Accountable Care Act.

October 19, 2010

On September 23, 2010 a number of important health insurance and consumer provisions included in the Accountable Care Act became effective. Key among them is a requirement that *new* individual and group health plans cover preventive health services, such as immunizations, cancer screenings, and well-child and well-woman services, without a coinsurance, co-pay or deductible.

Does the Preventive Health Benefit Requirement Apply to All Health Plans? When Does the Provision Take Effect?

While media coverage has led many patients to believe the new requirement applies to all health plans, the law is more complicated. The preventive health provision applies to all *new* individual and group plans written on or after Sept. 23, 2010. *For existing plans, the application of this provision will depend upon when the policy was written*. (Note: insurers may voluntarily adopt the requirement earlier than actually required by the law).

Plans in existence prior to March 23, 2010, the date the ACA took effect, are considered "grandfathered" (discussed further below) and are exempt from this particular provision (grandfathered plans are subject to certain other important consumer insurance protections in the ACA; visit the TMA health reform school for more information).

Individual or group plans written after March 23, 2010 but prior to September 23, 2010 are also subject to the provision, but not until the plan's renewal.

What are the Plans Required to Cover?

The required preventive services include:

- All vaccinations recommended by the Center for Disease Control's Advisory Committee on Immunization Practices
- All preventive care and screening for women and children recommended in comprehensive guidelines supported by the Health Resources and Services Administration (HRSA):
    - For children, plans must cover the services recommended by the American Academy of Pediatrics' Bright Futures guidelines, which can be found here: http://brightfutures.aap.org/pdfs/AAP%20Bright%20Futures%20Periodicity%20Sched%20101107.pdf
    - For women, HRSA is required to develop guidelines by August 1, 2011 to address preventive health services not otherwise encompassed by the US Preventive Health Services Task Force recommendations. Insurers are not required to include coverage from newly-published guidelines until the plan year that begins a year or more after publication.
- All services rated "A" or "B" by the USPSTF including:
    - Screening for breast cancer, cervical cancer, chlamydia, colorectal cancer, depression, gonorrhea, hypertension, lipid disorders, obesity, osteoporosis, diabetes, aortic aneurysm, more…
    - Programs to promote breastfeeding,
    - Alcohol Misuse Screening and Behavioral Counseling Interventions
    - Dietary counseling for patients with certain risks
    - Tobacco cessation counseling programs

  A detailed list of the USPSTF recommendations can be found here: http://www.ahrq.gov/clinic/pocketgd1011/pocketgd1011.pdf

Plans may choose to cover additional preventive health services or screenings than those developed by the USPSTF.

Also, just because the ACA does not apply to a plan does not mean the plan does not cover preventive health services. Texas mandated benefit laws still apply to regulated plans (Texas Mandated Benefits). Further, many "grandfathered" plans may have been covering some or all of these benefits prior passage of the law or may add them in the future. However, as long as a plan retains its grandfather status, then the plan may impose patient cost-sharing for preventive health services.

What Does "Grandfathered" Mean?

Individual and group plans that were in place on March 23, 2010 and are still in place now are deemed "grandfathered." Grandfathered plans are exempt from the preventive health coverage provision. However, if a currently grandfathered plan makes material changes in benefit design or patient cost-sharing at renewal, it will lose its grandfather protection. Changes that will trigger a loss of "grandfathered" status:

- Increase coinsurance percentages
- Increase deductibles or out-of pocket maximums more than 15% plus an inflation adjustment
- Increase co-pays more than inflation plus $5 or 15%
- Eliminate benefits for a specific condition
- Decrease the employer contribution by more than 5% below the rate on March 23.
- Impose new annual limits on benefits or reduce existing ones.

Existing grandfathered plans renew their policies at different times throughout the year, depending on whether the plan is based on a calendar year or not. The Center for Medicaid and Medicare Services estimates that 39 percent to 69 percent of plans will lose their grandfather status by 2013.

How Can I Find Out If My Patient's Plan Must Cover Preventive Care without Coinsurance, Co-pay, or Deductible?

Patients and physicians should request information directly from the plans to determine whether the preventive care coverage will be added and when that will occur.

What Happens if the Office Visit Entails Services Other than Prevention?

Published rules, though not final, have provided some guidance to determine whether coinsurance and deductibles will be due on required preventive services:

- Cost sharing is prohibited when the preventive service is the primary purpose of the visit.
- If preventive service is billed separately from an office visit, cost sharing may apply for the office visit.
- When preventive services are provided by out-of-network providers, the plan is not required to provide coverage or may apply cost-sharing.
- Deductibles or co-pays may apply for treatment of conditions found in preventive screening.

Does the Preventive Health Coverage Provision Apply to Medicare and Medicaid?

Medicare will also be adding some preventive care coverage with no coinsurance or deductibles on January 1, 2011.

The law encourages state Medicaid programs to extend preventive health services to adult enrollees by offering additional federal funding if they do. Texas implemented preventive health coverage for this population in January 2010, though the changes did not encompass all immunizations recommended by the Advisory Committee on Immunization Practices. Texas is evaluating whether to comply with the ACIP schedule.