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Reform implementation unfolds most recently with preventive health rules

by Michelle Leach

A year ago, deadlines for health care focused on passage of the reform bill; now, deadlines revolve around implementation of the plan, officially known as the Patient Protection and Affordable Care Act.

"The PPACA is a massive law that created 111 new government bureaus," said Brian

Urban, legislative chairman of the Nebraska Association of Health Underwriters. "The lion's share of the implementation and interpretation is coming from the [Department of] Health and Human Services and Secretary Sebelius."

In his role, Urban said, the latest strategy has involved working with regulators to weigh in during the implementation phase of PPACA. "At last check each page of the 2,700-page law is taking 1,000 pages in regulation to implement," he said.

On June 14, the Departments of Health and Human Services and Labor and Treasury issued a regulation regarding grandfathered health plans, which Principal and Senior Consultant Brett Sesker of SilverStone Group indicated have been a source of concern for business owners. "The loss of grandfathered status may or may not have a significant impact on the cost structure of a health plan and employers continue to evaluate that impact, depending on how their program is set up today," he said.

According to the Health and Human Services and Labor and Treasury departments, grandfathered plans are those that existed on or prior to PPACA being signed into law exactly four months ago to the day. In an effort to heighten consumer choice, these plans are exempt from some new requirements, courtesy of reform, and serve as a way for consumers who like their existing plan to keep it as is.

Under the "grandfather rule," the departments contend, plans may continue to innovate and contain costs but they can lose their grandfather status if insurers or employers opt to "significantly cut benefits or increase out-of-pocket spending for consumers." In essence, the regulation aims to enhance consumer protection while also affording the choice to keep existing coverage, if the employee so chooses.

"The typical way to cut costs is to change plan design, such as deductibles and out-of-pockets, but that may also impact a health plan's grandfathered status," Sesker said. "But if pricing trends continue to be excessive for employers, plan changes will need to be con-

sidered in combination with evaluating costs in the market during a request for proposal process, as well as a focus on wellness and health prevention." Last week, the DHHS, Labor and the Treasury also issued new regulations requiring new private health plans to cover "evidence-based preventive services" and "eliminate cost-sharing requirements for such services."

These regulations, the departments contend, will enhance access to preventive services, including blood pressure, cholesterol and diabetes tests, cancer screenings, routine vaccinations and regular wellness visits for infants and children. As part of a slew of initiatives following President Obama's signing of PPACA into law in March, UnitedHealth Group launched its Diabetes Prevention and Control Alliance in mid-April, according to Gregory Thompson, central region communications director with UnitedHealthcare.

A joint effort with YMCA and Walgreen, the alliance hopes to prevent and control diabetes and diabetes-related conditions through programming, such as education and support from trained pharmacists for those with the condition, and prevention aimed at health eating and exercise for those at risk of developing the disease, according to Thompson.

"UnitedHealth Group will cover these services at no charge to plan participants enrolled in employer-provided health insurance plans, marking the first time in the country that a health plan will pay for evidence-based diabetes prevention and control programs," he said. Prior to the passage of PPACA, in 2008, Thompson said, UnitedHealth Group established The Center for Health Reform and Modernization — a research-gearred organization of academics, clinicians, policymakers and managers exploring how to improve health care.

Aside from empowering patients and doctors through elements like evidence-based preventive care, the center aims to modernize the care delivery system, reduce health disparities in underserved communities, develop strategies to contain costs, reform payment structures and modernize Medicare through chronic disease management and end-of-life care, according to Thompson.



Urban



Press



Dickmeyer



SilverStone Group's Brett Sesker, principal and senior consultant.

as of Sept. 23," Press said.

With regard to retirement options, he said, employers can apply for relief from the Early Retiree Reinsurance Program, available until Jan. 1, 2014, as a means of offsetting costs associated with health care benefits for early retirees ages 55 to 64.

Other more immediate items to address include the law's requirement that, as of Jan. 1, 2011, at least 85 percent of all premium dollars for large employer plans (and 80 percent of small/individual plans) collected by insurance companies must go toward health care services, improvement and benefits — as opposed to administration or profits, according to Press.

"If this goal is not met, they must provide rebates to consumers," he said.

Whatever the provisions at issue may be, Andrew B. Dickmeyer indicated he and his team at The Harry A. Koch Co. want to assure that the voices of private industry are not lost in such discussions.

"There is certainly a knowledge gap or dismissive attitude with some in Washington regarding the essential role brokers and consultants play," said Dickmeyer, vice president. "Ironically, an unintended result of the reform bill is that employers, now more than ever, need solid guidance on the various short and long-term consequences of the bill.

"High-performing brokers and consultants are perfectly positioned to take on this role." Dickmeyer indicated his firm filled this need by advising clients through newsletters, e-mail blasts and meetings "to be a proactive resource for customers," he said.

Area firms, such as SilverStone Group, have held meetings with partner firms aimed to demystify health care reform and offer suggestions to employers. More such meetings are planned for the future.

It's a future that involves a four-year rollout of key items, including the establishment of the oft-cited state-based insurance exchanges, which look to provide more choice in the market for consumers.

The White House's website has an area to address concerns over health care reform.

For right now, there is little disagreement that much work remains on such a significant reform package.

"As the landscape becomes more clear, the uncertainty should subside," Urban said, but meanwhile he is advising clients to "prepare for even larger premium increases than before."

"Some businesses will find relief from tax credits, currently available in two of the next four years; however, it's my opinion that the benefit of these credits will quickly be erased by rapidly-escalating premiums."

But Press said there is no need to get "overly panicked" at this point.

"Since most of the provisions don't take effect until 2014, there is still time to get clarification and certainty," he said, noting that "for some, uncertainty generates fear; for others, it creates excitement and potential opportunities."

Press suggests visiting the U.S. Department of Health and Human Service's site at www.healthcare.gov for more details on PPACA, including a timeline for implementation of key items.

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