



## Health Care Reform: Annual Dollar Limits FAQs

Under the new federal health care reform law, for all new and renewing contracts after September 23, 2010, health insurers must remove annual dollar limits on covered services on individual and group policies of all sizes that the U.S. Department of Health and Human Services (HHS) considers “essential health benefits.” The following are the most “frequently asked questions” about how benefit specific dollar limits will be removed on nearly all Asuris policies.

### 1. What guidance did HHS issue on annual dollar limits?

*Initial guidance on annual limits was released in June 2010; however, this guidance did not specifically address benefit-specific dollar limits. In late September 2010, HHS clarified that annual dollar limits on specific essential benefits are not permissible.*

### 2. What are essential benefits?

*The new law identifies general categories of benefits that are included as essential benefits, but not specifically which benefits. Here are the categories:*

- *Ambulatory patient services*
- *Emergency services*
- *Hospitalization*
- *Maternity and newborn care*
- *Mental health and substance use disorder services, including behavioral health treatment*
- *Prescription drugs*
- *Rehabilitative and habilitative services and devices*
- *Laboratory services*
- *Preventive and wellness services and chronic disease management*
- *Pediatric services, including oral and vision care*

### 3. How is Asuris implementing the guidance regarding annual dollar limits?

*As the definition of essential benefits in the new reform law is broad, and specific clarification through federal rulemaking is not expected until late 2011, Asuris will treat all benefits offered by Asuris as essential benefits, except dental and vision services. Exception: vision screening for children up to age five and oral health risk assessment for preschool children (like those the new health care reform law requires that non-grandfathered plans and policies cover as “preventive health services”).*

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**4. Is there any annual dollar limit allowed on essential benefits?**

*Yes, beginning September 23, 2010, all essential benefits can be limited to an aggregate annual dollar limit of at least \$750,000. Beginning October 2011, the limits rise to at least \$1,250,000 and from October 2012 until 2014, \$2,000,000. (Annual dollar limits on essential benefits are prohibited beginning in 2014).*

**5. When will Asuris make these changes?**

*Asuris has chosen to implement the \$2,000,000 annual dollar limit on all essential benefits effective immediately in order to limit yearly adjustments to this provision on all plans new or renewing on or after October 1, 2010. Plans that have already renewed will receive updated contracts and benefit booklets to reflect these changes.*

**6. Are other types of limits permitted for essential benefits?**

*Yes, while the law explicitly prohibits benefit-specific dollar limits, alternative limits remain permissible, such as days/visits, etc. Therefore, plans are not required to make changes to non-dollar limits.*

**7. While all annual dollar limits will be removed, can they be replaced with other types of limits?**

*HHS and state regulators have shown some flexibility in allowing carriers' to replace some dollar limits with non-dollar limits.*

**8. What will happen to claims that were processed for affected members on or after October 1, 2010 that exceeded the benefit specific annual dollar limits?**

*They will be reprocessed to comply with the removal or conversion of dollar limits for essential benefits.*

**9. Will premiums increase because essential benefit dollar limits have been removed?**

*Most likely, yes. However, the amount of increase varies by benefit plan, and whether or not other types of limits are implemented. Asuris will provide notice of the timing and amount of any premium increase. For groups that follow our recommended changes, there will be no change to final rates issued for contracts already renewed or sold October 1, 2010 through January 1, 2011. Please contact your Asuris Sales Representative to learn more about how your premiums and benefits will be affected.*

**10. Do these changes affect retiree benefit plans?**

*No, these provisions do not impact retiree-only plans.*

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**11. Has Asuris requested any waivers on this rule?**

*HHS has allowed plans to request a waiver from the annual dollar limit requirements. Accordingly, upon reviewing the feasibility of the waiver process in the Asuris market, Asuris filed a waiver request for individual Emerge policies. While the waiver process runs its course, no changes to annual dollar limits will be made to the individual Emerge policies offered by Asuris Northwest Health.*

**12. Where can I find out more information about what Asuris is doing to comply with the Annual Dollar Limits provision under the health care reform law?**

*For individual and small group (1 to 99 employees) standard products please see the following grid. For large group impacts, please contact your Asuris Sales Representative.*

**Group Plans (1 – 99 employees)**

Category	<u>Current Limits</u> Innova/Engage/ Activate/HSA 2.0	Essential Benefit Changes Effective 10/1
<b>Annual Limit</b>	NA	\$2,000,000 annual limit
<b>Chemical Dependency</b>	\$15,500 every 2 calendar years (inpatient and outpatient combined)	No limit
<b>Dental Hospitalization</b>	\$1,000 per calendar year	No limit
<b>Durable Medical Equipment</b>	\$7,500 per calendar year	No limit
<b>Genetic Testing</b>	\$5,000 lifetime limit	No limit
<b>Neurodevelopmental Therapy (Inpatient and Outpatient)</b>	\$1,500 per calendar year	Inpatient: no limit Outpatient: 25 visits per calendar year
<b>Orthotics</b>	\$500 per calendar year	No limit

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<b>Prostheses</b>	\$20,000 per calendar year	No limit
<b>Rehabilitation Inpatient</b>	\$25,000 per calendar year	30 days per calendar year
<b>Rehabilitation Outpatient</b>	\$1,500 per calendar year	25 visits per calendar year
<b>Temporomandibular Joint Disorders (TMJ)</b>	\$1,000 per calendar year	No limit
<b>Transplants</b>	\$350,000 lifetime limit and \$50,000 donor limit per transplant	No limit

### Individual Plans

Category	Essential Benefit Changes
<b>Annual Limit</b>	Requested HHS waiver. No changes at this time.
<b>Orthotics</b>	
<b>Discretionary Surgery</b>	
<b>Prostheses</b>	
<b>Prescription Medications</b>	
<b>Durable Medical Equipment</b>	
<b>Genetic Testing</b>	
<b>Complex Outpatient Imaging (CT Scan, MRI, PET, MRA, SPECT, Bone Density)</b>	
<b>Rehabilitation Inpatient</b>	
<b>Rehabilitation Outpatient</b>	

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**Transplant**

**Mandated Plans**

<b>Category</b>	<b><u>Current Limits</u> RBS/ANH Conversion Plans 1,2,3</b>	<b>Essential Benefit Changes Effective 10/1</b>
<b>Annual Limit</b>	NA	\$2,000,000 annual limit
<b>Hospital</b>	\$180 per day and \$1,800 per stay limit	No limit
<b>Hospitalization for Dentistry</b>	\$1,000 per calendar year	No limit
<b>Maternity</b>	\$150 professional/\$250 facility limit for normal delivery and \$200 professional/\$500 facility limit for c-section delivery	No limit

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