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## Administration Issues Regulations on First-Dollar Preventive Care

The Departments of Health and Human Services (HHS), Labor, and the Treasury issued Preventive Regulations on July 14, 2010, requiring new (i.e., “non-grandfathered”) health plans to cover listed preventive services and eliminate cost-sharing requirements for such services. The regulations implement preventive care provisions of the Patient Protection and Affordable Care Act, the health care reform overhaul enacted in March 2010.

The regulations apply to those who enroll in the non-grandfathered health plans after Sept. 23, 2010. Grandfathered plans—those plans that do not, for example, increase co-insurance requirements or boost employee premium contributions by more than five percentage points—are exempt from the mandate to provide full first-dollar coverage for preventive services.

The regulations are intended to provide easier access to services such as blood pressure, diabetes, and cholesterol tests; many cancer screenings; routine vaccinations; pre-natal care; and regular wellness visits for infants and children. Under the regulations, new health plans must cover these preventive services without charging patients a co-payment, co-insurance or deductible for preventive services delivered by a network provider. Employers will be able to continue to require cost-sharing on preventive services employees receive from out-of-network providers.

“Today, too many Americans do not get the high-quality preventive care they need to

stay healthy, avoid or delay the onset of disease, lead productive lives, reduce health care costs,” said Health and Human Services Secretary Kathleen Sebelius.

Chronic diseases, such as heart disease, cancer, and diabetes, are responsible for 7 of 10 deaths among Americans each year and account for 75% of the nation’s health spending—and often are preventable, according to a release by HHS. Nationally Americans use preventive services at about half the recommended rate, HHS estimates.

Among the health care services covered by the new regulations are:

**Preventive Services** - The U.S. Preventive Services Task Force rates preventive services, and those receiving a grade of A or B are covered under these rules, including (with some limitations) breast and colon cancer screenings, screening for vitamin deficiencies during pregnancy, screenings for diabetes, high cholesterol and high blood pressure, and tobacco cessation counseling. A list of covered preventive services for adults can be found at the government’s [healthcare.gov](http://healthcare.gov) website.

**Vaccines** - New health plans will also be required to cover a set of standard vaccines recommended by the advisory Committee on Immunization Practices ranging from routine childhood immunizations to periodic tetanus shots for adults.

**Pediatric Care**—New health plans must cover preventive care for children recommended under the Bright Futures

guidelines, developed by the Health Resources and Services Administration with the American Academy of Pediatrics. These guidelines provide pediatricians and other health care professionals with recommendations on the services they should provide to children from birth to age 21, including regular pediatrician visits, vision and hearing screening, developmental assessments, immunizations, and screening and counseling to address obesity and help children maintain a healthy weight.

### Prevention for Women

Health plans must cover preventive care provided to women under the U.S. Preventive Services Task Force listed services in the new regulations, which includes anemia and infection screening for pregnant women, and breast cancer mammography screenings every one to two years for women over 40. In addition, new guidelines on required preventive services are being developed by an independent group of experts, including doctors, nurses, and scientists, which are expected to be issued by August 1, 2011.

While prescription contraceptives are *not* listed as a preventive service under the new regulations, the Planned Parenthood Federation of America announced it is working to have contraceptives covered on a first-dollar basis as part of upcoming regulations on women’s health.

**See pages 2 & 3 for detailed listing of required preventive coverage.**

## Grade A and B Recommendations of the United States Preventive Services

Listing as of July 16, 2010 - subject to change

Refer to [www.HealthCare.gov/center.gov/center/regulations/prevention.html](http://www.HealthCare.gov/center.gov/center/regulations/prevention.html) for periodic updates.

Source: [www.healthcare.gov](http://www.healthcare.gov)

Screening for abdominal aortic aneurysm	Screening for cholesterol abnormalities: men younger than 35	
Counseling to reduce alcohol	Screening for cholesterol abnormalities: women 45 and older	Screening for HIV
Screening for anemia	Screening for cholesterol abnormalities: women younger than 45	Screening for congenital hypothyroidism
Aspirin to prevent CVD: men	Screening for colorectal cancer	Iron supplementation in children
Aspirin to prevent CVD: women	Chemoprevention of dental caries	Screening and counseling for obesity: adults
Screening for bacteriuria	Screening for depression: adults	Screening and counseling for obesity: children
Screening for blood pressure	Screening for depression: adolescents	Screening for osteoporosis
Counseling for BRCA screening	Screening for diabetes	Screening for PKU
Screening for breast cancer (mammography)	Counseling for diet	Screening for Rh Incompatibility: first pregnancy visit
Chemoprevention of breast cancer	Supplementation with folic acid	Screening for Rh Incompatibility: 24-28 weeks gestation
Counseling for breast feeding	Screening for gonorrhea: women	Counseling for STIs
Screening for cervical cancer	Prophylactic medication for gonorrhea: newborns	Counseling for tobacco use: adults
Screening for chlamydial infection: non-pregnant women	Screening for hearing loss	Counseling for tobacco use: pregnant women
Screening for chlamydial infection: pregnant women	Screening for hemoglobinopathies	Screening for syphilis: pregnant
Screening for cholesterol abnormalities: men 35 and older	Screening for hepatitis B	Screening for visual acuity in children

## Recommended Immunizations

Hepatitis B	Measles, Mumps, Rubella
Rotavirus	Varicella
Diphtheria, Tetanus, Pertussis	Hepatitis A
Haemophilus influenza type b	Meningococcal
Pneumococcal	Human Papillomavirus
Inactivated Poliovirus	Zoster
Influenza	Please refer to website for Recommended Immunization Schedule for children and older adults.

## Recommendations for Preventive Pediatric Care

- History (Initial/Interval)
- Measurements (length/Height and Weight; Head Circumference; Weight for Length; Body Mass Index; Blood Pressure)
- Sensory Screening (Vision/Hearing)
- Developmental/Behavioral Assessment (Developmental Screening; Autism Screening; Developmental Surveillance; Psychosocial/Behavioral Assessment; Alcohol and Drug Use Assessment)
- Physician Examination
- Procedures (Newborn Metabolic/Hemoglobin Screening; Immunization; Hematocrit or Hemoglobin; Lead Screening; tuberculin Test; Dyslipidemia Screening; STD Screening; Cervical Dysplasia Screening)
- Oral Health
- Anticipatory Guidance

**Learn more about the Bright Futures Guidelines at:**

<http://brightfutures.aap.org/pdfs/AAP%20Bright%20Futures%20Periodicity%20Sched%20101107.pdf>



**“The Affordable Care Act provisions we’re announcing today will ensure that consumers have access to a fair, thorough and uniform appeals process”**

## Regulations Provide Right To Appeal Insurance Plan Decisions

The U.S. Department of Health and Human Services (HHS), the Labor Department and the Treasury Department on July 22, 2010, announced regulations that provide the insured with the right to appeal decisions made by their plans.

“The Affordable Care Act provisions we’re announcing today will ensure that consumers have access to a fair, thorough and uniform appeals process,” if their claims are denied, said Michael Mundaca, Asst. Treasury secretary for tax policy..

The interim finals rules give consumers:

- \* The right to appeal decisions made by their health plan through the plan’s internal process.
- \* The right to appeal decisions made by their health plan to an outside, independent decision-maker, no matter what state consumers live in or what type of health coverage they have.

### Internal Appeals

Under the new rules, new health plans beginning on or after September 23, 2010, must have an internal appeals process that:

- \* Allows consumers to appeal when a health plan denies a claim for a claim for a covered service or rescinds coverage.
- \* Gives consumers detailed information about the grounds for the denial of claims or coverage.
- \* Requires plans to notify consumers about their

rights to appeal and instructs them on how to begin the appeals process.

- \* Ensures a full and fair review of the denial.
- \* Provides consumers with an expedited appeals process in urgent cases.

### External Appeals

If a patient’s internal appeal is denied, patients in new plans will have the right to appeal all denied claims to an independent reviewer not employed by their health plan.

While 44 states provide for some form of external appeal, the law governing these processes vary greatly and fail to cover millions. The new rules encourage states to make changes in their external appeals laws to adopt the following National Association of Insurance Commissioners standards before July 1, 2011:

External review of plan decisions to deny coverage for care based on medical necessity, appropriateness, health care setting, level of care or effectiveness of a covered benefit.

Clear information for consumers about their right to internal and external appeals—in the standard plan materials and at the time the company denies the a claim.

Expedited access to external review in some cases, including emergency situations or cases where the health plan did not follow the rules in the internal appeal.

Health plans must pay the cost of the external appeal under state law, and states may not require consumers to pay more

than a nominal fee.

Review by an independent body assigned by the state. The state must ensure that the reviewers meet certain standards, keep written records and are not affected by conflicts of interest.

Emergency process for urgent claims, and a process for experimental or investigational treatment.

Final decisions must be binding, so if the consumer wins, the health plan is expected to pay for the benefit that was denied previously.

### Regulations’ Purpose

Before the new rules, if a health plan told a plan participant that it won’t cover a treatment the participant’s doctor recommends, or if it refuses to pay a bill, a health care consumer might not know where to turn. Most health plans have a process that lets the individual appeal the decision within the plan, but depending on the state laws and the type of coverage, there’s no guarantee the process will be swift and objective. And if the individual loses the internal appeal, he or she might not be able to ask for an external appeal.

“Today, if your health plan tells you it won’t cover a treatment your doctor recommends, or it refuses to pay the bill for your child’s last trip to the emergency room, you may not know where to turn,” said HHS Secretary Kathleen Sebelius. “The Affordable Care Act provisions announced today will provide patients with important new rights and resources that will help ensure they get the care they need.”

Source: SHRM Allen Smith, J.D.

**New Walking-Working Surfaces & PPE Standards**

**“The restriction would be lifted in virtually all industries, allowing OSHA inspectors to fine employers...”**

The U.S. Dept. of Labor's Occupational Safety & Health Administration has proposed a rule to require improved worker protection from tripping, slipping and falling hazards on walking and working surfaces. A public hearing on the revised changes will be held after the public comment period.

The proposed rule describes revisions to the Walking-Working Surfaces and Personal Protective Equipment (PPE) Standards to help prevent an estimated annual 20 workplace fatalities and more than 3,500

injuries serious enough to cause people to miss work. According to OSHA, the current walking-working surfaces regulations allow employers to provide outdated and dangerous fall protection equipment such as lanyards and body belts that can result in workers suffering greater injury from falls. Construction and maritime workers already receive safer, more effective fall protection devices such as self-retracting lanyards and ladder safety and rope descent systems, which these proposed revisions would also require for general industry

workers. The current walking-working surfaces standards also do not allow OSHA to fine employers who let workers climb certain ladders without fall protection. Under the revised standards, this restriction would be lifted in virtually all industries, allowing OSHA inspectors to fine employers that jeopardize their workers' safety and lives by climbing these ladders without proper fall protection.

Comments on the proposed rule can be submitted through [regulations.gov](http://regulations.gov).

**President Obama to Push Congress on Pay-Fairness Bill**

President Obama plans to press congress to pass pay-equity legislation that would make it easier for women to sue employers who pay them less than their male counterparts.

“Women deserve equal pay,” White House Senior Adviser, Valerie Jarrett said in an interview, citing government statistics that show women earn 77 cents for every dollar men earn. “It’s a very fundamental right.”

Obama will announce his support for the Paycheck Fairness Act, a bill that has languished in Congress for several years. In 2007, President Bush warned he would veto the bill, and it has been stalled by opposition from some Republicans and business groups, including the U.S.



Chamber of Commerce.

The bill passed in the House in 2009, but did not get through the Senate. Its prospects there remain unclear.

“The bill is a cruel hoax. It won’t empower women who face pay discrimination, but will empower trial lawyers whose junk lawsuits will clog up the courts and make it hard for businesses to grow and hire,” said Michael Steel, spokesman for House Republican leader John Boehner of Ohio.

The bill would:

- ◆ Put gender-based wage discrimination on par with other forms of wage discrimination, such as that based on race, by

allowing women to

sue for compensatory and punitive damages, rather than just for back pay.

- ◆ Limit the legitimate reasons employers can give in court for wage disparities.
- ◆ Prohibit employers from retaliating against employees who discuss their wages.
- ◆ The American Civil Liberties Union, which urges Congress to pass the law, says the measure would provide needed updates to the Equal Pay Act of 1963, which included only limited enforcement.

Source: USA Today

## Broadening Your Employee Benefits Portfolio with Elective Benefits

**Source: National Practice Leader, Steve Trumple**

The current health care debate has reinforced that employee benefits remain a valuable part of the total compensation package. However, given the current climate of cost cutting, many employers are having to strike a balance between offering employees benefit programs that provide real value and finding the corporate resources to sustain them.

Employers are taking a fresh look at incorporating elective benefits strategies as an option when core benefits are being reduced in the current economic climate. This is leading to an array of new elective benefit programs. Today's landscape includes offerings to fill gaps in health care coverage linked directly to an employer's plan, or new features that encourage health lifestyles. Employers are likely to incorporate these plans since the value of the benefit has increased and the need for choice is more evident.

- ◆ Nearly two-thirds (65%) of organizations use or are considering use of elective benefits to offset employee out-of-pocket costs.
- ◆ 40% are considering use of elective benefits to offset the bad news of a benefit cost increase or benefit reduction.
- ◆ 28% are considering use of an elective benefit option when replacing an employer-provided benefit.

The following programs have been created or modified in response to industry challenges.

- ◆ Permanent life coverage, including long-term care riders, provides access to two benefits with a single premium and eliminates the need for multiple vendors and evidence-based

requirements.

- ◆ Critical illness coverage, with enhanced wellness and disease testing riders, incorporates more creative wellness features to increase participation.
- ◆ Medical gap policies provide the employee with a safety net if an employer has moved to a high-deductible medical plan.

Disability, accident, and hospital indemnity plans remain a valuable option for employees across a broad spectrum of employer groups. These more traditional programs are being reexamined to provide a better fit with today's employee needs. Auto and homeowners insurance, legal services, computer purchasing programs, and pet insurance round out the elective benefits offerings.

Elective benefits programs are delivered on either a group or individual basis, with advantages for both employer and employee.

### Advantages for Employers

- \* Provide expense control in the face of rising benefit costs
- \* Offer new benefits for employees at no cost to employer
- \* Help stabilize retention and attract new talent.

### Advantages for the Employee

- \* Can access a broader range of benefits
- \* Benefits can be customized to suit personal needs
- \* Portable coverage
- \* Convenience of payroll deductions helps in budgeting benefit expenses

Some of the most popular elective benefit programs include:

### Permanent Life Insurance

Whether whole or universal life insurance, permanent life provides permanent coverage, on a level-premium basis, for the duration of the insured's life.

### Disability Insurance

STD/LTD Ensures continued income if an employee becomes disabled and unable to work.

### Accident Insurance

Serves as a supplement to major medical plans, providing employees and their families with hospital, physician, accident, death, and catastrophic accident benefits in the event of an accident.

### Long-Term Care

Covers the cost of long-term care services from an accident or debilitating illness, including nursing home care and professional home care.

### Auto/Home Insurance

Traditional plans, but with the added benefit of payroll deduction.

### Legal Services Plan

With these plans, members have access to a network of attorneys and other legal resources to assist with legal needs.

**Interested in offering voluntary benefits or expanding your benefits portfolio?**

**We offer an array of elective benefits to suit all individual & group benefit needs. Including discounted auto & homeowners' insurance.**

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