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## Health-care reform legislation passes

A historic \$938 billion health care overhaul that guarantees coverage for uninsured Americans was signed into law in March. The first changes will take effect by the end of September. Most changes would not kick in until 2014.

The bill immediately starts to close the gap in the Medicare prescription drug benefit. Seniors who fall into the "doughnut hole" gap in coverage will get a \$250 rebate this year.

Other changes starting this year include prohibiting health insurance companies from cancelling coverage if you get sick and banning lifetime dollar limits on coverage. Insurers also would be prohibited from denying coverage to children because of a pre-existing medical condition. In addition, parents will get to keep adult children on their health plan until they turn 26.

The legislation also has a transition program meant to help sick individuals who are currently uninsured.

Beginning in 2014, the government will provide tax credits to help pay for premiums for working middleclass families with annual incomes up to \$88,000. Medicaid will also be expanded to cover more low-income people.

Starting that same year, health insurance

companies could not deny coverage to people in poor health or charge them higher premiums.

Employers aren't required to offer coverage. Tax credits will help smaller companies get and keep coverage for their employees. Companies with more than 50 workers could see hefty fines if just one of their employees gets government-subsidized coverage.

Individuals would be required to carry health insurance, either through an employer or a government program or by buying it themselves. Those who refuse would get fined by the IRS.

Many legal experts say Congress does have the power under the Constitution to require coverage. Attorneys general from 13 states have already filed suit to stop the mandate.

The Congressional Budget Office estimated that the legislation would cut federal budget deficits by an estimated \$143 billion over a decade. More than 30 million people will gain coverage, and by 2016 about 95 percent of eligible working-age adults and their families would have health insurance. Most would buy their coverage through health insurance exchanges, new state-based purchasing pools. Illegal immigrants wouldn't be able to participate.

## Small business campaign launches in spring

In late March, Geisinger Health Plan launched an advertising campaign for small business coverage. The two commercials were also used last fall to reach out to owners of small businesses.

This spring, the message has been expanded to include brokers. The new small business campaign encourages companies to contact their broker to get a quote.

"So many small business owners rely on the expertise provided by their brokers," says Joseph Haddock, vice president of sales for Geisinger Health Plan. "Our new campaign reaches out to those companies and the brokers they work with. We want to make this process easy for both businesses and brokers."

The campaign will run until the end of May.



## Benefit changes and options

**These benefit changes are effective 4/1/10 and upon an employer group's renewal.**

### Well child visits

Well child visits for children up to age 21 no longer require a copayment. This applies only to visits received in-network. If additional services such as lab work or diagnostic tests are provided during the visit, or if a specific medical condition is treated, these services may incur a charge.

### Vision and hearing screenings

Vision and hearing screenings conducted at your primary care site will not require a copayment, deductible or co-insurance.

### Pulmonary rehabilitation

Pulmonary rehabilitation is limited to 36 visits per benefit period. Visits do not require a copayment.

### High-cost injectable drugs

Copayment for select high-cost injectable drugs will increase from \$50 to \$75. The out-of-pocket maximum for these drugs will increase from \$1,200 to \$1,500 per benefit period. For a complete list of these drugs, contact the pharmacy customer service team at (800) 988-4861.

## Out-of-service college student rider

Businesses that offer Geisinger Choice PPO with No Referral—including high deductible plans—now have the option of adding a rider to cover dependents who are attending a college or university out of the coverage area. The rider is available for no additional premium.

In order to receive coverage at in-network levels, students must receive care from a PHCS provider. PHCS is the largest privately owned PPO in the nation. With approximately 450,000 health-care practitioners and more than 4,000 facilities, students outside the service area will have access to quality health care at in-network benefit levels.

For more information, contact your Geisinger Health Plan representative.

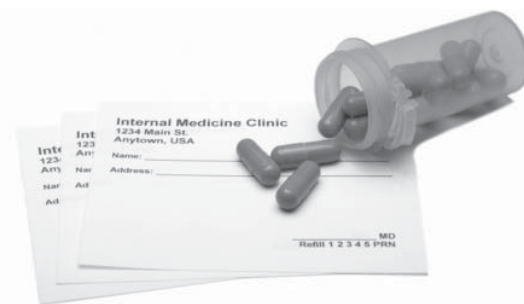


## Four-tier pharmacy riders now available

Beginning April 1, Geisinger Health Plan and Geisinger Choice will offer a four-tier drug rider for specialty and select high-cost drugs. This new rider provides employers with an additional option to lower health-care premiums. It also raises awareness over the cost and the appropriate use of these life saving medications.

In addition, Geisinger Health Plan and Geisinger Choice have added new medications to the list of free generics that are available through the \$0 tier rider. These medications are used in the treatment of chronic diseases such as diabetes, coronary heart disease, hypertension and depression.

For more information regarding these pharmacy riders, contact your Geisinger Health Plan representative.



## Retroactive terminations eliminated

A primary concern for Geisinger Health Plan has been retroactive group terminations. The number of requests to terminate an employer's group plan on a retrospective basis or following their actual renewal effective date is increasing rapidly.

Geisinger Health Plan will no longer be able to accommodate group terminations on a retrospective basis. This

process is difficult, time-consuming and expensive for the Health Plan to do. GHP will adhere to the rules outlined in the Group Master Policy which requires a 30-day advance notice for off-cycle terminations and a 15-day advance notice for renewal effective date terms.

Companies wanting to submit a letter of termination must submit

directly to their group's assigned Account Executive-Service Specialist or Small Business Service Representative. The letter must be on company letterhead and include an authorized signature. Please do not mail letters of termination with an invoice statement or payment as this causes extreme delays in the termination process.

## Mental Health Parity Act

The Federal Mental Health Parity Act requires health plans to provide "parity" between the financial requirements and treatment limitations applied to mental health and substance use disorder benefits and medical and/or surgical benefits.

The new act was effective 11/1/09 upon renewal for businesses with 51 or more employees. This means that if

your company's renewal date was March 1, 2010, the new mental health parity requirements will be effective for your business as of March 1, 2010. See your benefits document for more details.



## Mini-COBRA update

Under the provisions of the 2009 Federal Stimulus Bill, qualifying terminated employees can apply for a government premium subsidy to reduce their out of pocket expense for federal COBRA and state COBRA-equivalent coverage (referred to in Pennsylvania as Mini-COBRA). The subsidy extended a 65 percent reduction in COBRA premiums under the new Federal stimulus law.

Prior to December 24, 2009, if an employee or eligible dependent became eligible for continuation coverage (either federal COBRA or state Mini-COBRA) as a result of an "involuntary termination" during the period of July 10, 2009-December 31, 2009, they may have been eligible for this premium subsidy for a period of nine months.

On December 24, 2009, Congress passed legislation that did the following: (a) extended the cut off date for eligibility for the premium subsidy from December 31, 2009 to February 28, 2010 and (b) extended the time period for the premium subsidy from 9 months to 15 months.

It is important to note that here in Pennsylvania, the Mini-COBRA coverage period remains nine months. The federal action by Congress did not change the length of the state's Mini-COBRA coverage. The extension of the time period for the premium subsidy is only applicable to federal COBRA (where the required continuation coverage lasts between 18-36 months, depending on the COBRA qualifying event) or other states where state continuation coverage lasts longer than 9 months.

It is also important to remember that the business retains full responsibility for providing members all required notices and information relating to COBRA and Mini-COBRA coverage rights, as required by law. GHP is not the COBRA or Mini-COBRA administrator. All member or employer inquiries can be referred to PA Insurance Department hotline at 1-877-881-6388 or Web site [www.ins.state.pa.us](http://www.ins.state.pa.us).

# Michelle's Law

Michelle's Law requires health plans to continue coverage for college students who are forced to take a medically necessary leave of absence or have a change in their enrollment status due to serious injury or illness.

Michelle's Law became effective October 9, 2009.

This was the first law to recognize the need to provide health insurance to college students.

Michelle's Law applies to students who are covered under their parent's health insurance plan. The law provides that seriously ill students, who otherwise have insurance, may keep their insurance if they drop below a full-time course load for medical reasons. Students are able to take up to 12 months medical leave of absence without a reduction in their health care coverage and/or a COBRA premium.



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