Government Regulation of Health Plans in House Healthcare Reform Bill

Internal Revenue Service

NEW INDIVIDUAL MANDATES
- Tax on individuals
- Reporting and disclosure to other agencies
- Tax penalties & enforcement

NEW EMPLOYER MANDATE
- Election Process
- Penalty of 8% of wages for non-election
- New penalties for noncompliance

EXISTING AUTHORITIES
- Enforcement for HIPAA, Mental Health Parity, Genetic nondiscrimination
- Tax provisions

Department of Labor

NEW REQUIREMENTS
- Election process or 8% of wages penalty
- New enforcement provisions

EXISTING PROGRAMS
- ERISA
- COBRA
- Health care portability
- Privacy, Mental Health Parity, Genetic Non Discrimination
- Benefit Requirements
- Claims Processing Requirements
- Enforcement Authorities

State Insurance Regulators Licensure, Accreditation

EXISTING REQUIREMENTS
- Guaranteed renewal
- Rating
- Preexisting conditions
- Non-discrimination
- Quality improvement and reporting
- Benefit mandates
- Solvency and financial requirements
- Market conduct
- Prompt pay
- Appeals and grievances
- Privacy/Confidentiality
- Licensure/Accreditation
- Antitrust
- Benefit plan material/information
- Consumer protection
- Fraud and abuse

Health Insurance Exchange Trust Fund/Treasury

TAXPAYER

PARTICIPANT

EMPLOYERS

Ombudsman

Health Choices Administration and Commissioner

Health Insurance Exchange

INDIVIDUAL AFFORDABILITY
- Applications and forms
- Income determinations
- Establish income tiers
- Administer credits

ACTIVITES/ REQUIREMENTS
- Administration of employer contribution or 8% wage fee
- Bids, negotiations, contracts
- Outreach and enrollment
- Benefit package levels
- Culturally/ linguistically appropriate
- Medicaid/CHIP/Medicare interface
- Coordination of risk pooling
- Essential community providers
- Grievance and complaint
- External appeals
- Surveys, data collection, reporting
- Sanctions/coordination authority

NEW REQUIREMENTS FOR QUALIFIED HEALTH BENEFIT PLANS
- Defines service & premium ratings areas
- Establishes grace period for existing plans
- Preexisting conditions*
- Guaranteed issue and renewal *
- Insurance ratings rules
- Limited age variation categories
- Variation by family enrollment rules
- Standards for nondiscrimination in benefits
- Standards for network adequacy
- Minimum medical loss ratio
- No limits on coverage unrelated to clinical appropriateness*
- Marketing standards
- Standards for internal claims and appeals
- Standards for transparency and disclosure
- Transparency of reimbursement arrangements
- Provisions on timely payment of claims
- Standards for coordination and subrogation
- Examination and audits
- Standardization of terms

State/Regional Exchanges

HHS Run Exchange Plan
- Administrative contracting
- Data collection
- Premiums and financing
- Provider participation
- Medicare or other rates
- New payment initiative
- Fraud and abuse

Exchange QHBP

Federal & State Employer QHBP

Current Federal & State Employer Plan

Current Employer Self Insured Plan

Current Employer Fully Insured Plan

Employer Self Insured QHBP

Employer Fully Insured QHBP

Retiree Reinsurance Program

Health Benefits Advisory Committee

Non Employer Plan

Chart based on Subdivision A of Tri-Committee Bill July 14, 2009
See note regarding chart
*May be HHS or Commissioner
OHBP = Oualified Health Benefits Plan

Small Business Credits/Smaller Penalties

State Agencies

Medicaid CHIP

Health and Human Services

NEW REQUIREMENTS FOR QUALIFIED HEALTH BENEFITS PLANS
- Essential benefits & services
- Limits on cost-sharing
- Cost-sharing and copayments*
- Actuarial value
- Basic, enhanced, premium and plus plans
- Application of Medicare rates in public plan
- Provider opt out in public plan

NEW REQUIREMENTS/PROVISIONS FOR HEALTH PLANS
- Prohibition on use of personal characteristics
- Prohibits preexisting conditions*
- Guaranteed issue and renewal *
- Medical loss ratio
- Administrative simplification
- Requirements for rescissions

EXISTING REQUIREMENTS/PROVISIONS
- HIPAA Benefit Mandates
- HIPAA Privacy/ARRA Privacy
- Mental Health Parity
- Genetic Information Nondiscrimination Act
- Medicaid/CHIP
- Medicare

Prepared by Leading Edge Policy & Strategy, LLC on behalf of the U.S. Chamber of Commerce