



Complex Child E-Magazine

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Health Care Reforms in Effect that Impact Children who are Medically Complex by Susan Agrawal

As of September 23, 2010, several health care reforms have gone into effect that strongly impact the lives of children who are medically complex. While some details are still being worked out, on the whole these reforms are specifically designed to improve coverage for all children in the United States.

The following reforms are now in effect:¹

Preexisting Conditions

Insurers must provide coverage for children under age 19, even if they have a pre-existing condition. This provision applies to all new plans and all existing group plans. As soon as the policy takes effect, full coverage must be made available to children, regardless of preexisting conditions. Certain preexisting “grandfathered” plans (individually purchased plans that are non-job related) are exempt at this time from this policy. This change takes effect when your “plan year” begins, which is the month your copays and deductibles restart, most often on January 1.

Insurers have unfortunately been attempting to find ways to wiggle out of these regulations. For example, many major insurers have dropped child-only insurance plans to avoid providing coverage to children with preexisting conditions. This means that a child who is uninsured--healthy or not--will have a difficult to impossible time finding an individual policy.

In addition, it appears that a family purchasing a family policy can still be denied coverage based on preexisting conditions because the policy covers both adults and children, and the elimination of preexisting conditions for adults will not occur until 2014.

The way the rule is currently being interpreted also allows insurers to create open enrollment periods that limit enrollment to one period of the year, often just one month. This may create a big problem for children with complex needs who lose Medicaid or private insurance at another time of the year. In an effort to encourage more child-only plans, the administration has recently stated that insurers may enroll children with preexisting conditions at other times besides the open enrollment period, and may charge a higher cost for their plans if purchased outside the enrollment period.²

These insurance company shenanigans are deplorable, but will only affect children until 2014, when this provision will cover both children and adults.

Annual and Lifetime Limits

Beginning with this year's plan year, insurers will no longer be allowed to place a lifetime limit on insurance plans. Many children with complex needs have maxed out their lifetime limits in just a few years. This change marks a profound improvement in coverage for children with frequent hospital stays and high expenses, and applies to all types of insurance plans.

There are some exceptions to the provision. Services that are not considered "essential" may have annual or lifetime limits. Essential services include: 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; and pediatric services, including oral and vision care.³

Certain insurance plans also included annual limits in the past. These will slowly be phased out between now and 2014, with a higher annual maximum each year until 2014. Currently, plans must cover a minimum of \$750,000 per year. This number will grow to \$2 million by 2012 before being eliminated entirely. Once again, "grandfathered" individual plans are exempt, and non-essential services may be limited.

Rescinding Coverage

In the past, insurers have dropped children or adults when they became ill or developed serious new conditions, stating that they neglected to provide critical health information or made an application mistake. This will no longer be permitted once your new plan year begins. This rule applies to all insurance plans. You can still lose your plan if you provide false information.

Free Preventative Care

All preventative care, including well-child visits and standard recommended immunizations and screenings, is required to be provided free of charge to both children and adults. Copays, deductibles, and coinsurance may not be charged. This provision will go into effect once your new plan year begins. Once again, "grandfathered" plans are exempt.

Insurance for Children through Age 26

Children through age 26 may remain on their parents' insurance plan, whether or not they are married, living on their own, or in school. This provision affects all insurance plans and will begin with the next plan year. There is one exception to this rule, that "grandfathered" plans do not need to cover a child under age 26 if the child can receive group coverage through his/her employer.

Appeal Guidelines

Insurers must now follow strict appeal procedures, which include notifying you how to appeal, mandating a response within 72 hours for urgent matters and 30 days for non-urgent matters, explaining how to get an independent appeal, and allowing you to appeal and get information on appeals in your native language. This provision affects all plans beginning with the next plan year.

Coming Soon!

A key provision for children with complex needs will go into effect next year, October 1, 2011. The Community First Choice Option will assist states in offering home and community based services through Medicaid, instead of placing children and adults with medical needs in nursing homes, hospitals, or institutions.

Other provisions between 2010 and 2014, when the bulk of regulations take effect, include improvements for seniors and cost-reduction strategies.

Whether or not you agree with health insurance reform, the changes that have just taken effect have the potential to vastly improve access to care for children with complex medical needs. Hopefully this will be the case.

¹ Information gleaned from <http://www.healthcare.gov/law/timeline/index.html>

² http://www.nytimes.com/2010/10/14/health/policy/14health.html?_r=1&ref=health;
<http://www.hhs.gov/news/press/2010pres/10/20101013a.html>

³ <http://edocket.access.gpo.gov/2010/2010-15278.htm>, page 37191, section 8.