

How the Health Care Reform Legislation Will Impact Your Individual and Employer Clients

IN 2012

- All group plans and group and individual health insurers (including self-funded plans) will have to provide a summary of benefits and a coverage explanation that meets specified criteria to all enrollees when they apply for coverage, when they enroll or reenroll in coverage, when the policy is delivered and if any material modification is made to the terms of their coverage. The summary and explanation will require substantially more information than current summary plan descriptions and can be provided electronically or in written form. It must be no more than four pages in length with print no smaller than 12-point font written in a culturally linguistically appropriate manner. There is a \$1,000-per-enrollee fine for willful failure to provide the information.
- All group plans (including self-insured plans) and all individual and group carriers will have to annually submit reports to the HHS secretary on whether or not the benefits provided under their plans meet criteria to be established by HHS on improving health outcomes, preventing hospital readmissions, improving patient safety and reducing medical errors, including wellness and health promotion activities. This report also must be provided to all plan participants during the annual open enrollment period and HHS will make the reports publicly available through the internet. The secretary of HHS can also create and impose fines for noncompliance by employers and plans.