State of Montana
Employee Health Plan
Impact of PPACA in the upcoming years

Grandfathered Status

Retaining grandfather status is a decision that will be revisited each year by HCBD. There are advantages and disadvantages to retaining grandfathered status.

In order to retain your Grandfathered status, your ability to make changes to the plan to modify benefits and rates are limited.

Benefit changes that can be implemented

Action	Limitations
Increase deductible	Cumulative increase limited to Medical price inflation plus 15 percentage points (some changes have already been implemented)
Increase fixed dollar copayments	Greater of cumulative increase limited to Medical price inflation plus 15 percentage points or $5
Increase out of pocket maximums	Cumulative increase limited to Medical price inflation plus 15 percentage points
Increase premiums	Employer contribution percentage can't be reduced more than 5%
Create a separate Retiree plan and consider non-grandfathered status for that plan	Need to consider statutory authority to do so
Offer discounts to reward healthy behaviors	Unknown

Benefit changes that can't be implemented

- Can't increase coinsurance percentage
- Can't eliminate benefits
- Can't increase the % of premium paid by employees more than 5%

Consequences of losing grandfathered status

- Required to cover all essential services (doesn't apply to self-funded plans), preventive services, and limits on overall cost sharing
- $0 copayments for wellness services
- Revise appeal process
- Implement quality reporting
- Cover routine costs associated with clinical trials
- No discrimination based on health status {we can still provide rewards for healthy behavior}
- Annual out of pocket maximums tied to HDHP limits

2012 requirements or actions

ERRP – funding has run-out, we will not be receiving the $800,000 we filed for 2011.

W-2 reporting. Must gather data and report in January 2013.

60 day advance notice to members prior to any adverse changes.

2013 requirements or actions

Implement $2,500 flex-spending maximum for medical only.

Develop a uniform summary of benefits and coverage explanation. Guidance has been issued.

Pay the comparative effectiveness fee/tax $1 per person, increases to $2 per person 2014.

2014 requirements or actions

Medicaid eligibility expansion to 133% FPL ; includes childless non-disabled adults.

Health Insurance exchange for individuals and small business; could be a better source for coverage of retirees.

Guarantee issue, no pre-existing conditions, maximum 90 days waiting period, no rate discrimination (experience rates), and reduced premium variance.

Individual and business tax and penalties for not being covered.

Coverage for routine costs associated with Clinical trials

All non-grandfathered and exchange plans must provide coverage for Essential benefits. This doesn't apply to self-funded business. HHS has given the states the responsibility to develop essential benefits lists for each state.

Beyond 2014

2017 large employers can participate in exchange

Cadillac plans 2018 $10,200 single, $27,500 family, indexed to inflation. Current state share is $733, state share would have to be $850 to be considered Cadillac, or a 16% increase.