

Benefits Buzz

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DID YOU KNOW

HHS released [draft versions of both online and paper applications](#) that individuals will fill out to buy policies in the Exchanges.

Individuals will be able to submit applications online, through the mail, over the phone or in person.

HHS has stated that it is designing a single online “smart” application that will tailor the amount of data required from an individual based on circumstances and responses.

HIPAA Certificates Required During 2014

For plan years beginning on or after Jan. 1, 2014, the Affordable Care Act (ACA) prohibits group health plans and issuers from imposing pre-existing condition exclusions (PCEs) on any enrollees.

Currently, ACA prohibits PCEs for enrollees who are under 19 years of age. ACA’s restrictions on PCEs apply to both grandfathered and non-grandfathered plans.

Until ACA’s full prohibition on PCEs takes effect in 2014, the HIPAA rules regarding PCEs will continue to apply. HIPAA currently allows plans and issuers to exclude pre-existing conditions from coverage, but places significant limitations on those exclusions.

For example, the length of any PCE must be reduced by the amount of creditable coverage the individual had prior to enrollment in the plan. An individual’s prior creditable coverage is documented

in a HIPAA Certificate of Creditable Coverage, provided by the prior plan or issuer.

ACA’s prohibition on PCEs for plan years beginning on or after Jan. 1, 2014, will eventually make HIPAA Certificates unnecessary.

Proposed rules issued on March 21, 2013, state that the requirement to provide HIPAA certificates will be eliminated effective Dec. 31, 2014.

The need for plans to continue providing HIPAA Certificates during 2014 recognizes that participants may need HIPAA Certificates during 2014 to avoid PCEs under non-calendar year plans.

Although the proposed rule is not yet in final form, plans and issuers should plan on providing HIPAA Certificates during 2014.

HHS Plans to Delay Key Aspect of SHOP Exchanges

HHS will establish and operate a federally-facilitated Exchange (FFE) in each state that does not establish its own Exchange. The FFE will include individual and Small Business Health Options Program (SHOP) components.

- In March 2013, HHS proposed changes to the standards for SHOP Exchanges, creating a transition policy for employee choice of qualified health plans (QHPs) in the SHOP.
- The transition policy would delay implementation of the employee choice model for FF-SHOPs, and make this model optional for State Exchanges, until 2015.
- Small employers will still be able to purchase coverage through the FF-SHOPs, but would be limited to buying a single plan for employees.