



Health Care Reform – Agencies Issue Guidance on Coverage of Preventive Health Services

On July 14, 2010, the Department of Treasury, Department of Health and Human Services, and Department of Labor jointly issued interim final regulations regarding coverage of preventive health services under the *Patient Protection and Affordable Care Act (PPACA)*.

New Guidance. PPACA requires group health plans provide coverage for certain preventive health services without imposing cost-sharing requirements such as copayments, coinsurance, or deductibles. The new guidance implements this requirement by addressing the following issues:

- **Covered Preventive Health Services.** A complete list of the items and services that must be covered under the regulations (“recommended preventive services”) may be found at <http://www.HealthCare.gov/center/regulations/prevention.html>.
- **Office Visits.** If a recommended preventive service is billed separately from an office visit then a group health plan may impose cost-sharing requirements with respect to the office visit. However, if a recommended preventive service is not billed separately from an office visit, cost-sharing requirements may only be imposed if the primary purpose of the office visit is other than to deliver a recommended preventive service.
- **Out-of-Network Services.** A group health plan is not required to provide coverage for recommended preventive services delivered by an out-of-network provider. If such services are covered, the plan may impose cost-sharing requirements.
- **Reasonable Medical Management.** If a recommendation or guideline for a recommended preventive service does not specify the frequency, method, treatment, or setting for the provision of that service, the plan may rely on reasonable medical management techniques to determine any coverage limitations.

Effective Date. Coverage of recommended preventive services must be provided for plan years beginning on or after **the later of** (i) September 23, 2010, or (ii) one year after the date the recommendation or guideline is issued. This means that recommendations and guidelines issued before September 23, 2009, must be followed for plan years beginning on or after September 23, 2010 (*i.e.*, January 1,

2011, for calendar year plans).

Application to Grandfathered Plans. The new rules regarding coverage of recommended preventive services do not apply to grandfathered plans.

Next Steps. Plan sponsors will need to visit the government website provided above to identify any items or services that must be covered by the plan without cost-sharing requirements for the upcoming plan year.

We will continue to follow the legislation closely and provide you with updates as well as our analysis of what it means to you.

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