How to Keep Your Current Health Care Policy

Most provisions of the Patient Protection and Affordable Care Act (PPACA)

were set to take effect on January 1, 2014. But due to push back, the federal government delayed key requirements:

- Last summer the IRS announced that the “shared responsibility” requirements for larger employers (also known as the “Pay or Play” rules) would be delayed one year until January 1, 2015.
- Last month the IRS delayed Pay or Play for another year for some smaller affected employers and granted additional exceptions designed to ease larger employers into the new regime.
- But that’s not all!

You’ve probably heard the public backlash against the cancellation of health insurance polices in recent months. Those cancellations came, in part, due to the market reforms that were designed to expand the scope and availability of health insurance coverage. These reforms include rules that control premium pricing based on designated rating factors, require availability and renewability of coverage, and mandate comprehensive coverage of designated benefits, known as the “essential health benefits.” Ironically, rather than conforming their existing policies to those market reform rules, some insurers opted to simply cancel their non-compliant policies. After news of the cancellations broke, President Obama was publicly reminded of his earlier statements that PPACA would not cause consumers to lose insurance coverage they liked. This prompted the Department of Health and Human Services (HHS) to make changes. **Renewable Policies** In November 2013 HHS announced a “transitional policy” that said health insurance policies issued in the individual and small group markets could be renewed for another year even if the policies do not meet many of the PPACA “market reform” rules set to take effect in 2014. And just last week HHS announced a two-year extension of that transitional policy. Under this extension, if adopted by the States and insurance issuers, affected insurance policies may continue to avoid certain market reforms during any policy year that begins on or before October 1, 2016. For example, if a small group market policy would have been required to comply with the market reforms beginning with its annual renewal on June 1, 2014, the policy may be exempt from the reforms through May 31, 2017 (the end of the policy year beginning June 1, 2016). **What You Should Do** All of these laws and the subsequent changes and delays can be confusing. If you are an individual and you are confused about keeping your current policy, you should contact your insurer for clarification. If you run a business then you will likely face questions from your employees about their options and hopefully your insurer or broker can answer those for you. Regardless, this is an area of the law which we practice every day. If you have questions, feel free to contact any of our health care lawyers to learn about your options. Photo: Thinkstock/wildpixel