



BlueCross BlueShield of South Carolina  
BlueChoice HealthPlan of South Carolina

## Health Care Reform — Bulletin # 14

August 23, 2011

### Midyear Update

Summarized below are a few updates to the health care reform law that have occurred in recent weeks. As always, we encourage you to visit [www.healthcare.gov](http://www.healthcare.gov) for more information and further updates.

#### External Review

Through guidance and regulations issued in July 2010 and July 2011, the Departments of Health and Human Services, Labor, and the Treasury gave the individual states a number of options to implement external review processes required by the Patient Protection and Affordable Care Act (PPACA). On July 5, 2011, the S. C. Department of Insurance (SCDOI) released Bulletin 2011-04 outlining how it intends to comply with the external review requirements. (To view the bulletin, go to <http://doi.sc.gov/bulletinsandorders/Pages/2011Bulletins.aspx>.) On Aug. 1, 2011, HHS released its preliminary determination of each state's external review process. **South Carolina's process was deemed as meeting the "strict" standards.** These strict standards are the 16 minimum consumer protections based on the Uniform Health Carrier External Review Model Act written by the National Association of Insurance commissioners (NAIC) and identified under the external review rules initially released July 22, 2010).

#### Rate Review

On June 29, 2011, the SCDOI issued Bulletin 2011-03 regarding new rate filing procedures to comply with PPACA requirements. (View the bulletin at <http://doi.sc.gov/bulletinsandorders/Pages/2011Bulletins.aspx>.) The Department of Health and Human Services (HHS) announced on July 6, 2011 that **South Carolina was deemed as having an effective rate review process for both group and individual coverage** for the rate review regulation that takes effect Sept. 1, 2011. To determine whether a state had an "effective rate review program," HHS reviewed all available documentation, and met with state regulators and their staff to verify the information and get any updates.

#### Comparative Effectiveness Research Fee

Early this summer, the IRS issued Notice 2011-35 (<http://www.irs.gov/pub/irs-drop/n-11-35.pdf>) describing the PPACA provisions that create the Patient-Centered Outcomes Research Trust Fund as a funding source for the Patient-Centered Outcomes Research Institute. The source of funds for the trust is a "comparative effectiveness research fee" on health insurance policies and self-insured health plans based on the average number of lives covered under the policy or plan. The fees are effective for policy and plan years ending after September 30, 2012. The fees are scheduled to end for plan years ending after September 30, 2019. **The fee is \$1 multiplied by the average number of covered lives for plan years ending during fiscal year 2013, increasing to \$2 the next year and annually thereafter by the percentage increase in projected per capita amount of National Health expenditures.** Regulations have not yet been released, and more information on how BlueCross will administer this provision will be forthcoming from its marketing areas.

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This communication is provided for informational purposes only and does not constitute legal advice or legal opinions. The information contained herein contains summaries of various portions of legislation addressing health care reform and is subject to change without notice. This information is not a substitute for legal advice from your lawyers.

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**Women’s Preventive Health**

On August 3, 2011, the Administration published an interim final rule adopting new guidelines based on the Institute of Medicine’s recommendations for preventive health services for women. These guidelines are listed below. You can learn more about them at [www.hrsa.gov/womensguidelines](http://www.hrsa.gov/womensguidelines). The guidelines are to be added to the preventive services that non-grandfathered plans are required to cover with no cost-sharing under PPACA for plan years **beginning on or after August 1, 2012**. BlueCross is working to determine how it will incorporate these guidelines into its plans by the deadline next year.

Preventive Service	HHS Guideline for Health Insurance Coverage	Frequency
<b>Well-woman visits</b>	Well-woman preventive care visit annually for adult women to obtain the recommended preventive services that are age and developmentally appropriate, including preconception and prenatal care. This well-woman visit should, where appropriate, include other preventive services listed in this set of guidelines, as well as others referenced in section 2713.	Annual, although HHS recognizes that several visits may be needed to obtain all necessary recommended preventive services, depending on a woman’s health status, health needs and other risk factors
<b>Screening for gestational diabetes</b>	Screening for gestational diabetes	In pregnant women between 24 and 28 weeks of gestation and at the first prenatal visit for pregnant women identified to be at high risk for diabetes
<b>Human papillomavirus testing</b>	High-risk human papillomavirus DNA testing in women with normal cytology results.	Screening should begin at 30 years of age and should occur no more frequently than every 3 years
<b>Counseling for sexually transmitted infections</b>	Counseling on sexually transmitted infections for all sexually active women.	Annual
<b>Counseling and screening for human immune-deficiency virus</b>	Counseling and screening for human immune-deficiency virus infection for all sexually active women.	Annual
<b>Contraceptive methods and counseling.</b>  <i>Group health plans sponsored by certain religious employers, and group health insurance coverage in connection with such plans, are exempt from the requirement to cover contraceptive services.</i>	All Food and Drug Administration approved contraceptive methods*, sterilization procedures, and patient education and counseling for all women with reproductive capacity.  <i>*Plans may require cost-sharing for brand-name birth control pills when a generic is available.</i>	As prescribed
<b>Breastfeeding support, supplies, and counseling</b>	Comprehensive lactation support and counseling, by a trained provider during pregnancy and/or in the postpartum period, and costs for renting breastfeeding equipment.	In conjunction with each birth
<b>Screening and counseling for interpersonal and domestic violence</b>	Screening and counseling for interpersonal and domestic violence.	Annual

This bulletin is part of a series of bulletins we are publishing as we gather information about the health care reform law enacted March 23, 2010. To access all of the bulletins released so far, please visit our websites (SouthCarolinaBlues.com or BlueChoiceSC.com). Click on the appropriate tab (Members, Agents, Benefits Coordinators/Group Administrators or Providers); then click on the “Health Care Reform” link to view the list of the bulletins.

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