



- providing current information on health care industry issues and legislation

Interim Rules on Group Health Plan Grandfather Status Released

Rules have recently been released to clarify the grandfathering of Health Plans under the Patient Protection and Affordable Care Act. These rules clarify when a plan will be deemed to be grandfathered, the steps required to maintain the grandfathered status, and how the plan can make changes that lead to the loss of this grandfathered status.

While obtaining grandfather status will not exempt health plans from all the requirements of the PPACA, grandfathered plans will be exempted from the following:

- Cost-sharing requirements for preventive care
- Nondiscrimination testing of fully insured plans
- Patient protection in choosing certain specialty doctors
- Internal appeals and external review procedures
- Emergency services without preauthorization being treated as an in-network benefit.

Generally, group health plans or group health insurance coverage with at least one individual enrolled on March 23, 2010, and that continuously cover at least one individual thereafter will be considered a grandfathered plan. After March 23, 2010, the plan can maintain its grandfathered status by including a statement in all materials describing that the plan sponsor believes that the plan is grandfathered. The statement must also include instructions on how to obtain additional information or file a complaint.

It is also possible for these plans to change in a manner that will result in the grandfathered status being lost, immediately subjecting the plan to all of the PPACA reforms. Changes to plans that will result in the loss of grandfathered status include:

- Negotiation of a new policy or contract (other than a renewal) after March 23, 2010;
- Elimination of a particular benefit or necessary element to treat a condition;
- An increase in coinsurance from the level set on March 23, 2010;
- A cumulative increase in deductible or out-of-pocket maximum by more than the rate of medical inflation plus 15%;
- A cumulative decrease in employer contribution for any tier of coverage by more than 5% below the contribution rate in effect on March 23, 2010.

For more specifics on the requirements for obtaining grandfathered status, please review the official rules at www.gpoaccess.gov.

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Report Shows Patient Protection & Affordable Care Act Saves Money for Medicare

The Centers for Medicare & Medicaid Services recently released a report that examines the Patient Protection and Affordable Care Act, and its impact on the Medicare System. This report has shown that savings to Medicare will rise to more than \$575 billion over the next decade, and is expected to more than double the Medicare Trust Fund, extending the life of the fund to 2029. More specifically, by implementing changes introduced as part of the PPACA, the study shows that the new law will save taxpayers \$8 billion by the end of 2012.

In addition to saving taxpayers money, the report also highlights ways in which CMS is working to improve the quality of care delivered to people with Medicare. Examples of some of these improvements include:

- Reducing the number of hospital acquired conditions
- Creating Accountable Care Organizations
- Establishing the Center for Medicare and Medicaid Innovation; and
- Creating an Independent Payment Advisory Board

It is hoped that by implementing improvements to the overall Medicare system, additional savings will be found over time. A complete copy of the report can be found by going to www.cms.gov.

Rite Aid Settles with FTC and HHS in Alleged Failure to Protect Private Information

On July 27th, The Department of Health and Human Services (HHS) and the Federal Trade Commission (FTC) announced a settlement of the charges levied against Rite Aid for their alleged failure to protect both consumer and patient information.

HHS and the FTC had charged that from 2006-2008, Rite Aid failed to securely discard consumer and patient information, including Social Security numbers, credit cards numbers, dates of birth, medication dosage, and insurance information by disposing of the items in publicly accessible trash dumpsters. As part of the settlement Rite Aid was required to pay a \$1 million dollar fine and establish an information security program that includes risk assessment, employee training, implementation of appropriate safeguards, and proper management of providers with access to personal information. Finally, as part of the settlement, Rite Aid agreed to independent assessment of this compliance for three years by HHS, and an assessment every other year for the next 20 years by the FTC.

H.H.C. Group prides itself on its continuous efforts to store and protect our clients' private information in a secure manner, and destroy this information, when needed, in a manner that will continue to protect our clients' privacy.

The examples below demonstrate recent savings achieved through our **Medical Review Program**. If a claim is unusually high and the provider will not negotiate or does not participate in any of our 230 **plus** contracted PPOs, the claim may be a good candidate for a **Line Item or Comprehensive Bill Review**. Please contact your sales representative or the Medical Review Program Department at 301-963-0762 ext. 102 or via e-mail at mrp@hcggroup.com for more information on these programs.

Medical Review Program Bill Review Examples

Line item bill review savings examples:

Case A: Live Birth with Complications

Case B: Vascular Graft

Case C: Acute Respiratory Failure

Bill Amount	Recommended Denial
Case A: \$1,084,358.09	\$447,455.13 or 41%
Case B: \$217,782.15	\$41,649.09 or 19%
Case C: \$404,841.25	\$47,381.46 or 12%

Negotiation and Repricing Savings Examples

The examples below demonstrate recent savings achieved through our Negotiation and Repricing Services. If you are currently using only one of our many services, please contact your sales representative or Joe Michaud, Executive Vice President of Sales at 301-963-0762 ext. 110, or via email at j_michaud@hcggroup.com to find out how to access all of our health care cost containment services.

AUGUST, 2010 EXAMPLES			
TYPE OF SERVICE	AMOUNT BILLED	% SAVED	SAVINGS
NEGOTIATION	\$181,087.05	62%	\$112,305.50
	\$103,400.34	47%	\$45,453.95
	\$70,555.75	43%	\$30,555.75
	\$30,302.00	77%	\$23,337.35
REPRICING	\$87,048.95	20%	\$15,917.59
	\$11,920.00	85%	\$10,108.54
	\$13,141.00	86%	\$11,284.43
	\$91,588.01	92%	\$84,703.01

3-Star Preferred Provider Program Additions

One of the strengths of **H.H.C. Group** lies in its relationships with providers. We are pleased to announce the following new program members.

Anesthesia Advanta,
Newtown, PA 18940
Arturo Olivera, Jr.,
Glenview, IL 60025
Bradenton Anesthesia Services,
Orlando, FL 32886
Chonghan Wang,
Rego Park, NY 11374
Danzell Family Medical Clinic,
Shreveport, LA 71103
Garden State Magnetic Imaging,
Hamilton, NJ 08619
Genesis Laboratory Management,
Eatontown, NJ 07724
Monarch Diagnostics, LLC,
Austin, TX 78705
Nanci W. Parish CRNP,
Picayune, MS 39466
North Shore Nephrology PC,
Manhasset, NY 11030

Palm Coast Spine & Rehab, Inc.,
Palm Coast, FL 32164
Prestonwood Surgery Center,
Dallas, TX 75397
PSJ,
Jenkintown, PA 19046
Ramon Gaballero,
Georgetown, KY 40324
Riverside Medical of Ohio,
Steubenville, OH 43952
Rivertown Lymphedema Clinic,
Myrtle Beach, SC 29588
Rules Based Medicine,
San Antonio, TX 78299
Specialty Surgery Center,
Dallas, TX 75397
Terri L. Perryman, MD,
Kerrville, TX 78028
Texas Tech University Health,
Dallas, TX 75320

CONTACT INFORMATION

Additional product/services information: visit
www.hhcgroup.com or 301-963-0762 ext. 110.

Repricing support/assistance: please contact
appeals@hhcgroup.com or 301-963-0762 ext. 212.

Medical Review Program support/information: please contact
mrp@hhcgroup.com or 301-963-0762 ext. 102.

Claim referral submission: please contact
referrals@hhcgroup.com or call 963-0762 ext. 131.