HOLLAND&HART LLP
BENEFITS LAW GROUP

News Alert

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Even More (!) Guidance on Claims and Appeals Requirements For 2011

As you know from our previous Guidance on Claims and Appeals Requirements Alert, one of the many consequences of the Patient Protection and Affordable Care Act (as amended by the Health Care and Education Reconciliation Act of 2010) (together, the "Act") is that group health plans and health insurers have new internal claims review requirements, and also are now required to have an external review process (unless the plans are "grandfathered" plans). Last week, the agencies issued more guidance on this topic – this time giving welcome relief to plan sponsors and insurance companies concerned about implementing the new requirements for the 2011 plan year.

Some of the new claim and appeal requirements are predicted to be burdensome and difficult to administer. In response to these concerns, the agencies' most recent guidance is in the form of an enforcement grace period. Specifically, the agencies stated that they will not bring an enforcement action against a plan that is not in compliance with the new requirements, provided that the plan is working in good faith to implement the new standards. The grace period extends to July 1, 2011.

Notably, the grace period only applies to a few of the new standards:

- the shortened time frame for processing urgent care claims;
- the requirement to provide notices in a culturally and linguistically appropriate manner; and
- the requirement for broader content and specificity in notices.

In other words, full compliance is still expected with respect to the other claims and appeals requirements. Plan sponsors should currently be working on these other requirements, including contracting with third parties for external review, changes in internal claims processes, and revisions to plan documents and participant communications.

For assistance, or if you have questions about any other employee benefit matters, please contact a member of our Benefits Law Group.

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