



51A Middle Street, Newburyport, MA 01950
Phone: 800-588-7039 Fax: 877-902-4284
contact@bhfe.com www.bhfe.com

Course Information

Course Title: *#210916 Health Care Reform: Overview of the Affordable Care Act*

Recommended CPE credit for this course:

In accordance with the standards of the CFP Board and the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CFP®: **3** (All states) CFP Board Course ID# 195516
CFP Board sponsor number: 1008.

CPA: **5** (All states)
National Registry of CPE Sponsors ID Number: 107615.

State board of accountancy sponsor numbers for states that require sponsor registration;

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)
Hawaii Board of Public Accountancy: 14003
New York State Board of Accountancy: 002146
Ohio State Board of Accountancy: M0021
Texas State Board of Accountancy: 009349

CLU, ChFC/PACE Recertification: 5

Course Description

This course covers the *Patient Protection and Affordable Care* and the *Health Care and Education Reconciliation Acts of 2010*. It provides important information for financial advisors who are counseling clients on certain requirements imposed on group health plans and individual insurance coverage by the Act and Regulations.

Program Delivery Method: Self-study (NASBA QAS Self-Study /interactive)

Field of Study:

CPA: Specialized Knowledge and Application
CFP Board: Insurance
NAPFA credit allocation: Insurance

Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview. This program is appropriate for professionals at all organizational levels.

Prerequisites: None

Advance Preparation: None

Course Contents

Publication/Revision Date: 8/24/2015.

Author: Paul J. Winn, CLU, ChFC

Final exam: Forty-four questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam.

Complete the course by following the learning objectives listed at the beginning of the course and at the beginning of each chapter, and by studying the review questions at the end of each chapter (answers and explanations to review questions appear at the end of the text after the Glossary). Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions for that chapter.

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to “*My Account*” and view your courses.
- Select “*Take Exam*” for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Copyright 2015 by Paul J. Winn CLU ChFC

ALL RIGHTS RESERVED. THIS BOOK OR ANY PART THEREOF MAY NOT BE REPRODUCED IN ANY FORM OR BY ANY MEANS WITHOUT THE WRITTEN PERMISSION OF THE AUTHOR.

All course materials relating to this course are copyrighted by Paul J. Winn CLU ChFC. Purchase of a course includes a license for one person to use the course materials. Absent specific written permission from the copyright holder, it is not permissible to distribute files containing course materials or printed versions of course materials to individuals who have not purchased the courses. It is also not permissible to make the course materials available to others over a computer network, Intranet, Internet, or any other storage, transmittal, or retrieval system. This document is designed to provide general information. It is not a substitute for professional advice in specific situations. This publication is not intended to be, and should not be construed as, legal or accounting advice which should be provided only by professional advisers.

Paul J. Winn CLU ChFC
101 Justice Grice
Williamsburg, VA 23185

(757) 253-8075
Email: pjwinn@verizon.net
www.insurancefinancialwriter.com

Contents

About This Course	1
Learning Objectives	1
How You Will Learn	1
Why This Information Is Important and How You Can Use It.....	1
Chapter 1 Grandfathered Status.....	3
Chapter Learning Objectives	3
Patient Protection and Affordable Care Act Grandfathers Certain Coverage.....	4
Certain Act Provisions Inapplicable to Grandfathered Health Plans.....	4
Many Act Provisions Apply to Grandfathered Health Plans	5
The Consequences of Grandfathering in Brief.....	5
Grandfathered Health Plan Status Unaffected by Certain Changes.....	6
Grandfathered Health Plan Status May Be Lost	7
Maintaining Grandfathered Health Plan Status	8
Special Rules Applicable to Collectively Bargained Plans	9
Losing Grandfathered Health Plan Status.....	10
Transitional Rules	15
Changes Made On or Before March 23, 2010	15
Changes Made After March 23, 2010 and Adopted Before Regulation Issuance	16
Losing Grandfathered Status in Brief	16
Summary	18
Chapter 1 Review Questions.....	19
Chapter 2 Pre-existing Condition Exclusion.....	21
Chapter Learning Objectives	21
Pre-existing Condition Exclusion Defined.....	21
Exclusion of Coverage for All Participants Not a Pre-existing Condition Exclusion	22
Pre-existing Condition Exclusions Prohibited Under Act	23
Effect of Grandfathered Health Plan Status.....	23
Effective Dates for Pre-existing Exclusion Prohibition.....	24
Summary	24
Chapter 2 Review Questions.....	26
Chapter 3 Benefit Limits.....	27
Chapter Learning Objectives	28
Benefit Limits	28
Essential Health Benefits.....	29
Condition-Based Exclusions of Coverage Permitted under the Act.....	29
Annual Benefit Limits Prohibited.....	30
Lifetime Benefit Limits Prohibited.....	33
Benefit Limit Rules in Brief.....	36
Summary	36
Chapter 3 Review Questions.....	37
Chapter 4 Coverage Rescission Limits	39
Chapter Learning Objectives	39
Contract Rescission.....	40

Legal Elements of a Contract.....	40
Post-Claims Insurer Review of Health Coverage	41
Coverage Rescission Limited under Act.....	42
Rescission Differs from Prospective Cancellation.....	43
Regulations Apply Broadly	43
Contestable Period End Not a Bar to Rescission	43
Fraud as Basis for Rescission	43
Intentional Misrepresentation of Material Fact as Basis for Rescission.....	44
Rescission Notice Requirement	44
Examples.....	45
Rescission Rules in Brief	45
Summary	45
Chapter 4 Review Questions.....	46
Chapter 5 Patient Protections.....	48
Chapter Learning Objectives	49
Choice of Healthcare Providers for In-Network Plans	49
Designation of Primary Care Provider.....	50
Designation of Pediatrician as Primary Care Provider	50
Patient Access to OB/GYN Care	50
Patient Protection Disclosure Requirements.....	51
Coverage of Emergency Services	51
Emergency Services Defined.....	53
Out-of-Network Cost-Sharing Requirements	53
Effective Date	55
Grandfathered Plans	55
Patient Protection Rules in Brief.....	55
Summary	55
Chapter 5 Review Questions.....	56
Glossary	58
Answers to Chapter Review Quizzes.....	61
Chapter 1 Review Quiz.....	61
Chapter 2 Review Quiz.....	63
Chapter 3 Review Quiz.....	65
Chapter 4 Review Quiz.....	67
Chapter 5 Review Quiz.....	69
Index.....	73
Appendix I - Grandfathered Status at a Glance	75
Appendix II - PPACA Provisions at a Glance.....	77

About This Course

Learning Objectives

Upon completion of this advanced course, the student should be able to

- recognize the rules applicable to grandfathered health plans;
- identify the effective dates and rules governing the use of pre-existing condition exclusions in group and individual health insurance plans;
- recognize the annual and lifetime benefit limit rules applicable to essential health benefits under healthcare reform legislation;
- identify the conditions that would permit an insurer to rescind health insurance coverage and the applicable notice requirements; and
- identify the patient protection provisions of healthcare reform.

Although no specific course prerequisite is necessary for a full understanding of the material presented in this course, students should possess a solid, working knowledge of group and individual health insurance.

How You Will Learn

In this course you will be introduced to terms and concepts used in connection with the Patient Protection and Affordable Care Act (Act) signed into law on March 23, 2010, and the Regulations for its implementation. Each new term is defined in the text and included in the Glossary. The concepts are explained and, where appropriate, are demonstrated through the use of examples.

At the conclusion of each chapter, a quiz is presented to test our comprehension of the material in that chapter. A response is given to the answers you select to the quiz questions affirming the correct choice or explaining why the choice you selected was incorrect.

Why This Information Is Important and How You Can Use It

This information is important for insurance agents and other advisors who are counseling clients on certain requirements imposed on group health plans and individual insurance coverage by the Act and Regulations. The course begins with a discussion of “grandfathered” health plans, the definition of grandfathered plans, and the implications of grandfathered status for the timing and applicability of the Act’s provisions.

The requirements of the Act and Regulations addressed in this course are those relating to ensuring patient protections—specifically, protections related to their ability to choose healthcare professionals and the provision of emergency services—and the ability of health plans to

- exclude coverage for pre-existing conditions;
- impose annual and lifetime benefit limits for essential health benefits; and
- rescind health coverage.

Accordingly, the course provides information concerning the rules applicable to the ability of a group health plan or a health insurer offering group or individual health insurance coverage to exclude coverage for pre-existing conditions and the effective dates of such rules. In addition, the course discusses the rules governing the ability of a group health plan or a health insurer offering group or individual health insurance coverage to impose dollar limits on essential health benefits. The limited ability of a group health plan or health insurer offering group or individual health insurance coverage to rescind such coverage is also addressed. Finally, the course discusses the protections guaranteed to patients in their choice of available healthcare professionals in plans involving a network of healthcare providers and in the availability of patient emergency services.

An insurance agent's function has always been partly to teach and partly to motivate clients to take a particular action that involves an insurance transaction. However, insurance agents and other advisors assisting clients with respect to the Patient Protection and Affordable Care Act assume an increased teaching role. Because of the greater emphasis on explaining this lengthy and complex legislation and its effect on clients, it is important that insurance professionals and advisors possess an in-depth knowledge of the Act and the rules for its implementation. Only then can they confidently and expertly advise their clients.

In order to assist insurance agents and other advisors, the Act's grandfathering rules and its provisions covered in this course are summarized in Appendix I and Appendix II, respectively. By fully understanding the rules applicable to group health plans and health insurance coverage, insurance agents and advisors will be better able to meet their clients' needs.