



Health Care Reform

★★★ HEALTH PLAN INFORMATION

August 2010

To: **Wellmark Blue Cross and Blue Shield Group Health Plan Members**

Announcing Important Changes to Your Group Health Plan

On March 23, 2010, President Obama signed into law the federal Affordable Care Act (ACA) which contains provisions that will change health insurance coverage for many Americans.

This is to let you know that Wellmark Blue Cross and Blue Shield is leading the way by making the following changes to your health plan* based on the first of these provisions to go into effect.

PRE-EXISTING CONDITION LIMITATIONS FOR MEMBERS UNDER AGE 19 ENDING

ACA includes a provision that prohibits imposing pre-existing condition limitations on members under age 19 for plan years beginning on or after September 23, 2010. Please check with your employer to determine when the health plan will no longer impose pre-existing condition limitations on members under age 19.

DEPENDENT COVERAGE EXTENSION UP TO AGE 26 – SPECIAL ENROLLMENT OPPORTUNITY!

If your employer's health plan offers dependent coverage, your plan will now cover dependent children up to age 26, regardless of whether they are currently enrolled in your benefit plan.

- ***If you have dependent children currently covered under your existing plan:*** Effective on June 1, 2010, your health plan coverage may have been extended to include dependent children up to age 26, regardless of student, marital, or dependent status, or where the dependent lives.
- ***If you have dependent children NOT currently covered under your plan:*** During the Special Enrollment Period detailed below, you have the opportunity to add dependents under age 26 to your plan, regardless of student, marital, or dependent status, or where the dependent lives. Coverage will become effective on October 1, 2010.

Special Enrollment Period is Limited!

- **The Special Enrollment Period from September 1 through September 30 may be the only opportunity you have to enroll your dependent children under the age of 26.**
- **During that time, contact your employer to complete the application process prior to September 30, 2010.**

(continued)



Here are answers to some frequently asked questions:

- **When will the new coverage become effective?**

Dependent children enrolled during the one-time, Special Enrollment Period will have an effective coverage date of October 1, 2010.

- **When will the coverage for my dependent child end?**

Whether you are covered by Wellmark Blue Cross and Blue Shield of Iowa or Wellmark Blue Cross and Blue Shield of South Dakota, coverage will terminate the end of the month in which the dependent turns age 26, or in accordance with the terms of your benefit plan, unless the continued coverage of the dependent child is otherwise mandated beyond the age of 26 by state law (for example, if the child must be covered under state law due to full-time student status or permanent disability status).

- **Will I be able to change my current health plan?**

During the Special Enrollment Period, employees wishing to add dependents will have the opportunity to change their health benefit plan, as available through their employer

- **Who else can enroll?**

- Additional family members of currently enrolled members may also enroll during this Special Enrollment Period, *but only if a dependent child under 26 is enrolling.*
- Employees and their family members who are NOT currently enrolled in their group plan may enroll during this Special Enrollment Period *if they are also enrolling a dependent child under 26.*

- **Who is not eligible to enroll?**

- Employees and their family members are not eligible to enroll if they are not also enrolling a dependent under age 26.
- Dependents eligible under another employer-based plan (e.g. their own employer group or their spouses employer group), may not be eligible to enroll at this time. Please check with your employer regarding eligibility under this circumstance.
- Spouses or children of dependents are not eligible to enroll.

- **What are the tax implications for this change?**

New federal tax rules allow employers to exclude the value of coverage for your dependent child from your taxable income through the end of the calendar year in which your dependent child turns age 26**.

- **Where can I get more information?**

Please contact your employer.

** Plan benefits and general provisions described are subject to terms of the actual Coverage Manual.*

*** The above description about tax rules is general in nature. Different rules may apply if you have an MSA, or HSA. Please consult your tax advisor about how these rules impact you. This information is not intended to be used for the purpose of avoiding penalties that may be imposed by federal or state taxing authorities.*

This information has been compiled for informational purposes only and is being provided in an effort to identify some of the benefit changes and other reforms that may be required as a result of the Affordable Care Act ("ACA"), otherwise known as Health Care Reform. This is not intended to serve as legal advice. If you have any questions about how to comply with the ACA, you should consult your legal counsel. Regulations and guidance on specific provisions of the ACA have been and will continue to be provided by the U.S. Department of Health and Human Services ("HHS") and/or other agencies. The information provided reflects Wellmark's understanding of the most current information and is subject to change without further notice. Please note that plan benefits and rates are subject to change and may be revised based on guidance and regulations issued by HHS or other agencies. Wellmark makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of ACA. Any questions about Wellmark's approach to the ACA may be referred to your Wellmark account representative.