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Patient Protection and Affordable Care Act: Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections

Comment On: HHS-OS-2010-0014-0001

Patient Protection and Affordable Care Act: Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections

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General Comment

Please allow this to supplement my prior comments, filed on July 14, 2010 and re-submitted on August 5, 2010.

The Public Employee Health Insurance Program maintains a general purpose stand-alone HRA. The stand-alone HRA was established by the Kentucky General Assembly in 2006. Approximately 25,000 members elected the stand-alone HRA option for the 2010 plan year.

The open enrollment periods for calendar year health plan, beginning in January 1, 2011, are held in the fall of 2010. The Public Employee Health Insurance Program is the largest health plan in the Commonwealth of Kentucky. The plan has approximately 160,000 contract holders and 265,000 covered lives. Open enrollment is scheduled on October 11-31, 2010. The health plans offered for plan year 2011 have to be finalized this month, August 2010, in advance of filing a statutorily required administrative regulation on September 15, 2010.

What this means for the Public Employee Health Insurance Program is that no matter when or how the agencies resolve the underlying question, it will be too late for plan sponsors to react for the upcoming plan year (2011), since they must finalize their plan designs and develop their employee communications for 2011 open enrollment in the next several weeks. Without some relief, plan sponsors, like Commonwealth of Kentucky, remain uncertain and uncomfortable about whether they can continue to offer a stand-alone HRA during the 2011 plan year. Unfortunately, based on the state statute, there is no really alternative but to offer the stand-alone HRA and await further guidance. Accordingly, at a minimum, the agencies should make clear that stand-alone HRA's may continue to apply annual and lifetime limits during 2011, regardless of how this question is resolved in the longer term. Anything short of the requested transitional relief not only prejudices plan sponsors like the Commonwealth of Kentucky but also the 25,000 Kentucky citizens that rely on this stand-alone HRA to pay family medical expenses.

Thank you for your consideration.
