



## CLIENT BULLETIN

### ***September 22, 2011 Deadline To Apply for or Renew “Waivers” Under the Affordable Care Act***

#### ***Plans Should Act Soon Before the Window Closes***

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The *Affordable Care Act* (ACA) allows the Department of Health and Human Services (HHS) to grant health plans temporary waivers to the ACA's phase out of annual dollar limits if compliance with the new annual benefit minimums would result in a significant decrease in access to benefits or a significant increase in premiums. These waivers are temporary and after 2014 no waivers of the annual dollar limit provision are allowed. See [Benefits News Briefs 2010-88](#) and [2010-90](#) for background on the waivers and the ACA webpage at: <http://www.healthcare.gov/news/factsheets/annuallimit06172011a.html>.

The waiver process began last year.

Recently, the Centers for Medicare & Medicaid Services (CMS) introduced a process for health plans that have already received waivers and want to **renew** those waivers for plan or policy years beginning before January 1, 2014. The new guidance extends the duration of waivers that have been granted through 2013, if applicants submit annual information about their plan and comply with requirements to ensure that their enrollees understand the limits of their coverage.

**Existing waiver recipients must apply to extend their current waiver and all extension applications must be submitted by September 22, 2011.** Applications for an extension received after that date will no longer be considered.

**Any plans that have not yet applied for a waiver also must apply by September 22, 2011.**

According to the [CMS Press Release](#), the new guidance imposes more stringent disclosure requirements and requires a new version of this consumer notice that will make the information easier for families to understand. Health plans with waivers must tell consumers that their health care coverage is subject to an annual dollar limit that is lower than what is required under the law. The yearly notice must include the dollar amount of the annual limit along with a description of the plan

benefits to which the limit applies. Plans must illustrate how the annual limit would impact a consumer who was hospitalized, so families can understand how far their coverage will reach if they become seriously ill. To do so, the updated model notice compares a policy's annual limit with examples demonstrating the average cost of night's stay in the hospital. Plans with waivers must attest annually to their compliance with the consumer disclosure requirement. A [Model Notice](#) is found at pages 7 and 8 of the Guidance.

The Guidance is available by "[clicking here](#)" or at: [http://cciio.cms.gov/resources/files/06162011\\_annual\\_limit\\_guidance\\_2011-2012\\_final.pdf](http://cciio.cms.gov/resources/files/06162011_annual_limit_guidance_2011-2012_final.pdf).

September 22 will come quickly so plans should act soon if they are in the "waiver category."

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