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HHS Proposed Regulations - Wellness Plans

This morning HHS released three separate proposed regulations for public inspection. The official copies of the proposed regulations are scheduled to be included in the Federal Register for November 26th. This first group is just the tip of the iceberg. Much more guidance is expected over the next 3-4 months. However, an air of mystery surrounds the most important piece of guidance that was released this morning – the nondiscrimination rules for wellness plans.

1. Guaranteed Availability and Renewability of Coverage.

[Link]

This proposed rule would implement the Affordable Care Act's policies related to fair health insurance premiums, guaranteed availability, guaranteed renewability, risk pools, and catastrophic plans. The proposed rule clarifies the approach used to enforce the applicable requirements of the Affordable Care Act with respect to health insurance issuers and employer group health plans.

2. Determination of Essential Health Benefits and Actuarial Value.

[Link]

This proposed rule outlines exchange and issuer standards related to coverage of essential health benefits and actuarial value. This proposed rule also proposes a timeline for qualified health plans to be accredited in federally-facilitated exchanges and an amendment which provides an application process for the recognition of additional accrediting entities for purposes of certification of qualified health plans.

3. Nondiscrimination Rules for Wellness Plans.

[Link]

At first this proposed rule was removed from the site for unknown reasons. Later, the rule was reposted to the site. It's unclear why it was initially removed. The proposed rule outlines the new requirements for wellness plans beginning in 2014. Specifically, these proposed regulations would increase the maximum permissible reward under a wellness program offered in connection with a group health plan from 20 percent to 30 percent of the cost of coverage. The proposed regulations would further increase the maximum permissible reward to 50 percent for wellness programs designed to prevent or reduce tobacco use. These regulations also include other proposed clarifications regarding the reasonable design of wellness programs and the reasonable alternatives they must offer in order to avoid prohibited discrimination.