

Health Care Reform and Dental & Vision Benefits

How does PPACA impact dental insurance?

Beginning October 1, 2013, essential health benefits (EHB) packages (effective January 1, 2014) will be offered as the minimum level of necessary coverage for individuals and to small group employers (50 or fewer employees, depending on the state). **Pediatric dental care** (along with pediatric vision) is included in pediatric services, part of one of the 10 categories of essential coverage, and applies to children up to age 19. Medical coverage offered within the exchanges* must include essential pediatric dental benefits unless a qualified, standalone dental plan is also offered in the exchange, or marketplace. If the marketplace also offers a standalone dental plan that provides the required essential pediatric dental benefits, then **medical carriers have the option to exclude the pediatric dental benefit from the medical coverage**. The medical carrier must be reasonably assured that the individual can obtain the essential pediatric dental benefit through a qualified dental plan (QDP) to authorize the exclusion. In cases where medical coverage includes pediatric dental coverage and there is no standalone option offered, the individual will need to use the dental coverage provided by the medical carrier to meet the requirement of the pediatric dental EHB requirement. Depending on the states' requirements, neither individuals nor employers may be required to purchase essential pediatric dental benefits; however, they must be offered.

**Exchanges include the Health Insurance Marketplace (HIM) for individuals (sometimes/previously referred to as American Health Benefit Exchange or AHBE), which opens for enrollment on October 1, 2013 and the Small Business Health Options Program (SHOP) Marketplace, which will have full options available January 1, 2015.*

Is there a separate deductible for a pediatric dental plan which is embedded within a medical plan?

No. Medical plans with embedded pediatric dental EHB will include a **combined deductible**, which may delay the payment of coverage for non-preventive dental services until the combined deductible is met. When a standalone dental plan is selected, there will be a separate premium and deductible, potentially allowing members access to non-preventive dental coverage earlier in the plan year.

Is the pediatric dental EHB coverage required for all children?

No. Children that have benefits through an employee of a large employer (currently defined as 50 employees or more, depending on the state) are not required to have dental insurance coverage that meets the EHB mandate. However, if it is embedded in their medical coverage, it will then become a defacto purchase.

Is orthodontia a covered pediatric dental EHB service?

Only **medically necessary orthodontic services** are a covered benefit for children up to age 19. Prior authorization to determine medical necessity is required and waiting periods may apply for all orthodontic services. AlwaysCare/Starmount will continue to offer dental plans that include non-medically necessary orthodontia outside of the marketplace.

Is dental coverage included as an EHB in adult medical plan coverage?

No. Dental coverage is **not** considered an EHB for adults. However, it may be included in a QHP and therefore be part of the purchase whether the consumer has children that need coverage or not. Dental insurance sold as a standalone policy for adults is not subject to the Affordable Care Act (ACA) requirements. Medical carriers may or may not offer medical and dental coverage to adults at a combined premium rate. Adults are not required to have dental coverage, but they continue to have the option to purchase standalone coverage from the dental insurance carrier of their choice.

Will the out-of-pocket costs for pediatric dental services and procedures completed by an out-of-network provider be applied toward the annual out-of-pocket (OOP) maximum?

No. With the pediatric dental EHB, the costs for pediatric dental care from a provider outside of the plan's specific network will not apply to the annual out-of-pocket maximum.

What is the pediatric member's annual OOP maximum for standalone pediatric dental EHB coverage?

The annual OOP maximum is **separate from the medical OOP maximum** and will be **\$700 per child** (age 0-18). For families with two or more children, the annual out-of-pocket maximum will not exceed **\$1,400 per family**.

Will individuals be able to compare the pricing and benefits details for their medical insurance that includes pediatric dental vs. standalone pediatric dental insurance?

It's not clear yet. Medical plans may not offer details to effectively complete a price comparison of the pediatric dental portion included in the medical insurance plans vs. standalone dental plans. The actuarial value for comprehensive medical plans is based on all of their covered benefits. Deductibles and co-insurance could be more costly than standalone benefits.

Will AlwaysCare/Starmount automatically amend their dental policies to meet the EHB pediatric dental healthcare standards?

Beginning October 1, 2013, AlwaysCare/Starmount **will offer federally qualified dental plans** meeting the individual and small group pediatric dental EHB requirements in select states. The AlwaysCare/Starmount individual and small group policies offered in the other states may not qualify as a QDP for the pediatric EHB. However, the non-QDP policies have value for family members of all ages, while providing additional benefits that are not covered under the pediatric EHB. In most states, coverage that contains EHB packages is not required for groups over 50 employees.

Can a premium tax credit be used for dental insurance?

Yes, individuals that qualify for premium tax credits to purchase benefits in the HIM can use them for dental insurance premiums. It is important to note that, at this time, the credit will be applied to medical insurance premiums first and the remaining balance may not be large enough to fully cover dental insurance premiums.

Can a small business employer tax credit be applied to dental insurance?

No. The Small Business Health Care Tax Credit is based on employer-paid contributions to medical insurance premiums.

How does PPACA impact vision insurance?

Pediatric vision care is an essential health benefit (EHB) for children age 18 and under. Medical coverage that is offered within exchanges must include pediatric vision benefits. Unlike pediatric dental coverage, medical plans in almost every state (with the exception of HI, MD and NV) are not allowed to exclude the pediatric vision benefit under any circumstances.

What are the standard services covered by the pediatric vision EHB?

Standard services will include an eye exam and either glasses or elective contact lenses. Lenses and frames available to members will likely be limited to collections or formularies specified by the QHP.

What are the pediatric member's annual out-of-pocket maximum, deductible and co-pay for pediatric vision EHB coverage?

Deductibles and other out-of-pocket expenses will be dictated by the medical out-of-pocket costs.

Is vision coverage included as an EHB in adult medical plan coverage?

No. Vision coverage is **not** considered an EHB for adults. Vision insurance sold as a standalone policy for adults is not subject to the Affordable Care Act (ACA) requirements. Medical carriers may offer medical and vision coverage to adults at a combined premium rate. Adults are not required to have vision coverage, but they continue to have the option to purchase standalone coverage from the vision insurance carrier of their choice.

Are dependents age 19 and older eligible for pediatric dental and vision coverage?

No. To be eligible for pediatric dental and vision care, the child must be age 18 or younger in most states.

How will the health insurer fee impact individuals and group policyholders?

Medical, dental and vision insurance carriers are required to pay an annual non-tax-deductible fee to help fund several health care reform initiatives. This may potentially result in higher premiums for individuals and employers.

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