

June 28, 2011



Keeping You Informed

## Legislative Update

### Legislative Update

Forest Financial Group is pleased to offer updates focusing on legislation changes and decisions that impact our clients. It is important to us that our clients are kept abreast of changes in both Washington and Springfield that apply to employee benefits.

FFG aims to provide you with a better understanding of our healthcare system, our federal and statutory laws, and our industry regulations. We hope you find this information valuable to the administration of your benefits program.



### Rules for Internal and External Claim Reviews Revised

Last week, HHS, Treasury and Labor released revised regulations for group health plans which have not been grandfathered and insurers must now comply for internal claim procedures and external reviews. These revised regulations discuss a variety of issues. They are generally effective July 22, but certain enforcement grace periods still apply.

These revised regulations provide the following:

- To decide urgent-care claims, plans will now only have take up to 72 hours - rather than 24 hours - to decide urgent-care claims, provided certain conditions are met.
- Diagnosis and treatment codes need not be included in claim denial notices, but participants may still request this information.
- An exception has now been provided certain minor errors for requirement that plans strictly adhere to all internal claims and appeals rules - or risk an immediate external review or lawsuit .
- Non-English language denial notices must now be provided only if at least 10% of residents in the claimant's county are literate in the same foreign language.
- The claims now eligible for federal external review has been temporarily narrowed to claims involving medical judgment or coverage rescission.
- Self-insured ERISA plans which determined to use a federal safe harbor for external review must contract with at least two independent review organizations by Jan. 1, 2012. States will have until December 31, 2011 to adopt compliant external review processes.
- A plan must pay benefits in compliance with a final external review decision without delay, even if the plan intends to seek judicial review of that decision because disagrees with it.

Instructions have been issued for insurers and self-funded nonfederal governmental plans for electing a federal external review process; information on state consumer assistance programs; and updated model notices of an adverse benefit determination, a final internal adverse benefit determination and a final external review decision.

A copy of these instructions can be obtained by clicking on link below:

<http://www.dol.gov/ebsa/pdf/tr11-02.pdf>

A copy of the regulations can be obtained by clicking on link below:

[http://www.ofr.gov/OFRUpload/OFRData/2011-15890\\_PI.pdf](http://www.ofr.gov/OFRUpload/OFRData/2011-15890_PI.pdf)

Source: Larry Grudzien, Attorney-At-Law