



Neighborhood Health Plan™

June, 2011

RE: **Federal Health Care Reform
Patient Protection and Affordable Care Act (PPACA)
Cambridge Public Health Commission**

Dear NHP Member:

We are writing to provide you with an update on important changes as a result of the Patient Protection and Affordable Care Act (PPACA). The enclosed amendment applies to your existing member handbook and includes all changes that take effect on July 1, 2011 as a result of Massachusetts and Federal Health Care Reform.

What is the Patient Protection and Affordable Care Act (PPACA)?

PPACA is a federal law that went into effect on March 23, 2010. Among other provisions, the law puts into place comprehensive health insurance reforms that are intended to lower health care costs, guarantee more health care choices, and enhance the quality of health care for all Americans. The Act will not be implemented all at once. Portions of the law have already taken effect. Other changes will be implemented through 2014 and beyond.

What impact will this have on me as an NHP Member?

NHP is already in compliance with many of the PPACA requirements and in those areas you will not see any change in your coverage or benefits. However, there are three significant changes that might impact your coverage:

- Dependent children will no longer lose coverage upon loss of IRS dependency status; rather, all dependent children will be allowed to remain covered until they reach the age of 26.
- There will no longer be an annual dollar limit on durable medical equipment.
- NHP will not require any cost-sharing for preventive services as defined by PPACA. This means that you will not pay any copayments or deductibles for annual check-ups, well child visits, and certain preventive tests and screenings.

When will these changes take effect?

Effective June 1, 2010, NHP enrolls dependents up to age 26. This means we will not request documentation of student status or IRS dependency. If your dependent child was disenrolled due to loss of dependency status in the past, there will be an opportunity in July, 2011 to add them back to your plan effective August 1, 2011. For additional information about your enrollment rights, or the enrollment opportunities for your dependents, please contact your employer.



Starting July 1, 2011, your NHP coverage no longer includes an annual limit on Durable Medical Equipment (DME). NHP considers DME to be an essential health care benefit as defined by this new regulation and therefore is removing the \$2,500 calendar limit that currently applies. Additionally, to minimize the impact this may have on your premium, NHP is adding 20% coinsurance to the DME benefit. This change also applies as of July 1, 2011. To clarify your DME coverage, please refer to the enclosed amendment and Benefit Summary of your plan.

As of July 1, 2011, your NHP coverage also does not include any cost-sharing (copayments, deductibles or co-insurance) for many preventive health care services.

What preventive health care services will be exempt from any cost-sharing?

The law goes into great detail explaining what preventive services an insurer is prohibited from applying cost-sharing. In general, NHP will not apply any cost-sharing for annual check-ups, well child visits, and certain preventive tests and screenings.

Thank you again for choosing Neighborhood Health Plan. We look forward to serving all of your health care needs. Should you have any questions or concerns, please call our Customer Care Center at 1-800-462-5449 (TTY 1-800-655-1761) or visit www.nhp.org. Our hours of operation are Monday through Friday from 8:00am to 6:00pm and Thursday from 8:00am to 8:00pm.

Sincerely,



Paul Mendis, M.D.
Chief Medical Officer