



PROVISIONS ⁱ	LOVELACE HEALTH PLAN IMPLEMENTATION
<p>Plans that qualify for Grandfathering. Only those health benefit plans sold prior to, and in effect on, March 23, 2010, (the date that PPACA became law) are eligible for Grandfathering.</p>	<p>All LHP commercial plans in existence on March 23, 2010, are considered Grandfathered. Health Plans can increase benefits on their existing plans and maintain Grandfathered status. LHP has chosen to extend Coverage of Recommended Preventive Care and Immunizations Without Cost-Sharing to all existing commercial plans. Refer to Grandfathering Matrix.</p>
<p>Young Adults on Parents' Health Plans. Young adults will be able to stay on or enroll in a parent's health plan until their 26th birthday. Lovelace Health Plan implemented this provision on 6/1/2010.</p>	<p>For all Plans offered or renewed for an effective date of 6/1/10, LHP implemented processes to extend coverage up to age 26 for dependents on their parents' health plans. For dependents who were previously terminated due to aging out, the subscriber will have the opportunity to re-enroll the dependent at their group's annual renewal open enrollment period.</p>
<p>Prohibition on Pre-existing Condition Exclusions for Individuals under the age of 19 who have pre-existing medical conditions can no longer be turned down for coverage by an insurance company or have a medical condition excluded from his or her health benefits.</p>	<p>LHP will offer individual coverage to children under the age of 19 during an annual open enrollment period July 1 through July 31. LHP is currently exploring additional options for families with children under the age of 19.</p>
<p>Prohibition Against Rescissions. Health insurance plans are prohibited from rescinding coverage retroactively once an enrollee is covered under a plan, except in the case of enrollee fraud or intentional misrepresentation.</p>	<p>LHP currently meets the Prohibition Against Rescissions provision. No additional changes to the current policy are necessary.</p>
<p>Prohibitions Against Lifetime Benefit Limits. Health plans are prohibited from imposing lifetime limits on the dollar value of essential benefits included in health care coverage.</p>	<p>For all Plans offered or renewed for an effective date of 10/1/10, LHP eliminated lifetime maximums on the dollar value of Essential Benefits included in the health benefit plan on standard Commercial products (HMO, POS and PPO). Essential Benefits fall into the following categories:</p> <ul style="list-style-type: none"> • Ambulatory Patient Services • Emergency Services • Hospitalizations • Maternity/Newborn Care • Behavioral Health/Substance Abuse • Prescription Drugs • Habilitative and Rehabilitative Services/Devices (DPE/EPA) • Laboratory Services • Preventive/Wellness Services • Chronic Disease Management • Pediatric Services (including oral and vision care)

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<p>Restricted Annual Limits on Essential Benefits. Health plans are prohibited from imposing annual limits on Essential Benefits other than those established under federal regulations.</p>	<p>For all Plans offered or renewed for an effective date of 10/1/10, LHP eliminated annual limits on Essential Benefits included in the health benefit plan on standard Commercial products (HMO, POS and PPO). Essential Benefits fall into the following categories:</p> <ul style="list-style-type: none"> • Ambulatory Patient Services • Emergency Services • Hospitalizations • Maternity/Newborn Care • Behavioral Health/Substance Abuse • Prescription Drugs • Habilitative and Rehabilitative Services/Devices (DPE/EPA) • Laboratory Services • Preventive/Wellness Services • Chronic Disease Management <p>Pediatric Services (including oral and vision care)</p>
<p>Required Coverage of Recommended Preventive Care and Immunizations Without Cost-Sharing. New plans must provide coverage for certain preventive services without co-pays or cost-sharing.</p>	<p>LHP supports health and wellness initiatives and has chosen to extend Coverage of Recommended Preventive Care and Immunizations Without Cost-Sharing to all existing commercial plans effective October 1, 2010.</p>
<p>Revised Claims Appeals and External Review Process. Health plans will be required to amend their claims appeals and external review processes to add additional patient protection.</p>	<p>LHP established a committee to implement revised claims appeals and external review regulations. The process will be standardized and implemented for all commercial products in accordance with PPACA.</p>
<p>Coverage of Emergency Services Without Prior Authorization. In and Out-of-Network Emergency services must be covered without prior authorization and member cost-sharing must be the same for In and Out-of-Network services.</p>	<p>LHP currently meets the Coverage of Emergency Services Without Prior Authorization provision. No additional changes are necessary. LHP's current reimbursement methods follow state law, which is more stringent than PPACA.</p>
<p>Prohibition on Discrimination in Favor of Highly Paid Employees. Employers are prohibited from purchasing health plans that discriminate in favor of their highly paid employees.</p>	<p>LHP will continue to quote and offer Carve Out and Duel Choice plans to both small and large group, insured and self-funded, which seek to purchase such coverage. The employer group alone will be responsible for determining whether the coverage complies with the new PPACA anti-discrimination rules.</p>
<p>Patient Protections Regarding PCP and OB/GYN Choice. Women must be permitted to seek treatment from an OB/GYN without a primary care physician (PCP) referral. In our health plans which require the selection of a PCP:</p> <ul style="list-style-type: none"> • An enrollee will be permitted to select any PCP in the network, regardless of geography, and • Parents will be permitted to select a pediatrician as their child's PCP. 	<p>LHP currently meets the Patient Protections Regarding PCP and OB/GYN Choice. No additional changes are necessary.</p>

ⁱ This health reform chart provides only a summary of benefits and benefit changes which are applicable to Lovelace commercial health plans. Please refer to your membership Health Plan certain requirements under PPACA and the relevant interim final regulations as well as of September 2010. Please refer to PPACA and its regulations if you need to determine grandfathered status of your health benefits, and whether such status can be maintained or has been lost. This matrix is not a substitute for the advice of your compliance professionals or legal counsel pertaining to the grandfathered status. Please keep in mind that federal regulators may issue new regulations or interpretations of existing regulations that may modify or clarify some of the rules applicable to grandfathered plans.