



# Legislative Update

September 30, 2010

## Making the Grandfathered Plan Determination

Employer plans are gearing up for compliance with health care reform requirements that go into effect for plan years beginning on or after September 23, 2010 (January 1, 2011 for calendar-year plans). One issue to be resolved before your plan's next enrollment is whether existing plans will maintain their "grandfathered" status. If your health plan was in existence on March 23, 2010, it is generally eligible for grandfathered plan status. Grandfathered status is "a choice" and generally ceases only if one of six plan changes occur, including eliminating benefits or altering cost-sharing or contribution rates beyond certain levels. See Conner Strong's [Update](#) for more information on the changes that will apply to grandfathered and non-grandfathered plans.

It is critical for employers and group health plan sponsors to determine whether their plans are grandfathered. If your plan is eligible for grandfathered status, you should determine whether to preserve this status. Conner Strong has created a [chart](#) providing examples of modifications that may be made to group health plans as well as the impact on maintaining grandfathered status.

The agencies released a set of frequently asked questions ([FAQs](#)) regarding grandfathered health plans, claims and appeals, dependent coverage of children to age 26, and out-of-network emergency services. In these FAQs, the agencies state that their approach to implementation will focus on assisting, rather than penalizing, plans and issuers that are working diligently and in good faith to understand and comply with the new law. This should be welcome news for employers and others striving to comply with the new rules and aggressive deadlines.

The agencies also indicate they expect the various sets of interim final health reform regulations issued this year to be finalized in 2011. In the meantime, employers and plans can expect in 2010 additional agency guidance on various aspects of the law, including grandfathering.

As new information is issued on health reform, Conner Strong will issue alerts and updates. Should you have any questions, please **contact your Conner Strong representative toll-free at 1-877-861-3220**.

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