



CLIENT BULLETIN

Health Care Reform Compliance Dates for Grandfathered and Non-Grandfathered Self-Insured Group Health Plans

This *Client Bulletin* focuses on health care reform compliance dates under the *Affordable Care Act* for grandfathered and Non-grandfathered self-insured group health plans. Requirements applicable to insured group or individual market health plans are not included in this discussion.

A grandfathered health plan is one which was in existence on March 23, 2010 and which has maintained its grandfathered status since then. A Non-grandfathered health plan is a grandfathered plan that lost its grandfathered status or a plan in existence after March 23, 2010. A chart showing reforms applicable to each type of plan is available by "[clicking here](#)." A summary entitled *Grandfathered Plan Status - How to Keep It or Lose It* is available by "[clicking here](#)."

A list of published guidance and other information about the *Affordable Care Act* is available at <http://www.hhs.gov/ociio/regulations/index.html>. A timeline showing the date of passage of the law and subsequent guidance and the Research Department publication in which the guidance was discussed is available by "[clicking here](#)."

The *section below* lists reforms applicable to ***both grandfathered and Non-grandfathered group health plans***. Grandfathered and Non-grandfathered plans must comply with the following reforms by the **first Plan Year beginning on or after September 23, 2010**, unless otherwise noted. For calendar year plans, that is January 1, 2011.

GRANDFATHERED AND NON-GRANDFATHERED PLANS

- No *lifetime* limits on coverage;
- Prohibition on "unreasonable" *annual* limits on essential benefits (3-yr phase-in allowed under regulations);
- No *rescissions* of coverage unless for fraud (a rescission is a retroactive cancellation of coverage – prospective cancellations are not rescissions);

- Extension of dependent coverage to age 26 (unless the dependent has coverage available through their own employer); *HOWEVER, Non-grandfathered plans must offer age 26 coverage even if the dependent has other employer-sponsored coverage available;*
- No *pre-existing conditions exclusions* for children under 19; and
- Development and utilization of uniform explanation of coverage documents and standardized definitions. (These standards are to be developed by March 23, 2011 and group health plans will be required to use such documents and information for participants and others by **March 23, 2012.**

Plans should begin the process of amending their plan document to comply with these changes and comply with any new notice requirements, such as informing those eligible for coverage due to the age 26 change or elimination of lifetime limits.

The section below lists reforms applicable only to Non-grandfathered plans. These reforms are applicable to such plans' **first Plan Year beginning on or after September 23, 2010.** For calendar year plans, that is January 1, 2011. These reforms are in addition to the requirements applicable to both grandfathered and Non-grandfathered plans discussed above.

NON-GRANDFATHERED PLANS

- Coverage of recommended *preventative services* with no cost sharing;
- Patient protections such as *guaranteed access* to OB-GYNs and pediatricians;
- *Appeals process* for appeals of coverage determinations and claims (includes internal appeals and external review); and
- Coverage of *emergency services* without prior authorization and at the same cost sharing as in-network.

Non-grandfathered plans should begin the process of amending their plan document to comply with these changes that are specifically applicable to them and to comply with any new notice requirements.

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