

BENEFIT NEWS BRIEFS

FAQs About Affordable Care Act Implementation Part VI

As part of the ongoing release of guidance on the *Affordable Care Act*, six new Frequently Asked Questions (FAQs) concerning "grandfathered" (GF) status were released April 1 and are available online at: <http://www.dol.gov/ebsa/pdf/faq-aca6.pdf>. A specially prepared version with a Table of Contents is available by "[clicking here](#)." Administrators and consultants to GF plans affected by the topics listed below should read the FAQs in full.

The six FAQs cover the following topics:

- The scope of the anti-abuse rule of the interim final regulations relating to grandfather status. In particular, what is a "bona fide employment-based reason" for employees enrolled in a benefit package that is being eliminated to be transferred into another benefit package?
- Whether plans that base the level of cost sharing for brand-name prescription drugs on whether the drugs have generic alternatives lose GF status because generic alternative becomes available and is added to the formulary, with a resulting increase in the cost-sharing level for the brand-name drug.
- The interaction of value-based insurance design (VBID) and the no cost-sharing preventive care services requirements on plans wishing to adopt VBIDs.
- Two FAQs clarifying that a plan adopting an amendment causing it to lose GF status loses GF status on the effective date of the amendment, not the date the amendment is passed, and
- An example of determining whether the employer's contribution rate has decreased for purposes of maintaining GF status when retiree coverage rates change.

* * *