

Affordable Care Act: Fact Sheet for Grandfathered Plans

President Obama signed the Affordable Care Act (ACA) into law on March 23, 2010. Most health insurance plans in effect on that date were eligible for “Grandfather” status and as such, they do not have to meet all of the requirements of the ACA.

Do You Have a “Grandfathered” Plan?

Grandfathered Plans are employer-provided health plans in effect as of March 23, 2010 and do not have to comply with several requirements of the new law. Be sure to check with your insurance provider as to whether your plan qualifies as a ‘Grandfathered Plan.’

From Which Requirements Is A Grandfathered Plan Exempt?

The requirements with which Grandfathered Plans *do not have to comply* are the mandates for:

- Preventive health care without any employee cost sharing
- Selection of a pediatrician or OB/Gyn without a referral
- New procedures for external review for claims appeal
- Coverage for clinical trials
- Quality care reporting requirements
- Coverage for emergency services without prior authorization at “in-network” levels
- Cost sharing limits
- Coverage of “essential health benefits.”

Can A Grandfathered Plan Lose Their “Grandfathered” Status?

Yes, it is important to note that plans can lose their “Grandfathered” status. When a plan loses its “Grandfathered” status, you must comply with the new legislative requirements. When the employer commits any of the following actions – your plan will lose its “Grandfathered” status. These actions are:

- Benefits are cut or reduced significantly
- Co-insurance payments are raised
- Co-payment charges are raised significantly
- Deductibles are raised significantly
- Employer contributions are lowered significantly
- Annual or lifetime limits on what the insurer pays are added or lessened.

Please remember: If you as the employer do any of the actions listed above, your plan will lose its grandfathered status and you will then need to comply with the new ACA legislative requirements.

If You Do Not Have a Plan with “Grandfathered” Status

[Click here for more information about various health care plans & resource information](#) including no-obligation quotes for health insurance for you, your family, and/or your employees.