

# Keeping Your Plan's Grandfathered Status

It's important to know certain changes can affect your status as a grandfathered plan following the March 2010 passage of the Patient Protection and Affordable Care Act. There are also routine changes that won't affect your plan's grandfathered status. Use the changes below as a guide, and contact your account representative if you have any questions.

## Changes that Affect Grandfathered Status

You may lose grandfathered status if you make any of these changes.

- Undertake a merger, acquisition or similar business restructuring mainly to cover new individuals under a grandfathered plan.
- Transfer employees between grandfathered plans to keep grandfathered status.
- Eliminate all or substantially all benefits used to diagnose or treat a particular condition.
- Increase any coinsurance.
- Increase fixed-amount cost-sharing other than copayments (e.g. deductible, out-of-pocket maximum) by a total percentage more than the sum of medical inflation plus 15 percentage points.
- Increase any fixed-amount copayment by a total percentage more than the sum of medical inflation plus 15 percentage points, or \$5 increased by medical inflation.
- Decrease the employer contribution rate toward the cost of any tier of coverage by more than 5 percentage points of the amount in effect on March 23, 2010.
- Make certain changes to the overall annual dollar limit.
- Don't disclose in plan materials (model notice) that your plan believes it's a grandfathered plan.
- Don't maintain records on the terms of the plan there were in effect on March 23, 2010.

## Changes that Don't Affect Grandfathered Status

You can make these changes and still remain a grandfathered plan.

- Add family members of an enrolled individual.
- Add newly hired or newly enrolled employees.
- Certain premium changes.
- Make changes to comply with Federal or State legal requirements.
- Change Third Party Administrators (TPAs).
- Make changes to voluntarily comply with the Affordable Care Act (ACA).
- Make changes subject to the transition rule.
- Make changes adopted during the grace period.
- Cease coverage of one or more individuals enrolled on March 23, 2010, as long as the plan continuously covers at least one person.
- Add, terminate or allow employees to transfer among benefit options.
- Change your health insurance issuer.
- Increase cost-sharing (e.g. deductible, OOPM) because of an increase in employee compensation, as long as the percentage-of-compensation formula remains what it was on March 23, 2010.



Navigating Health Care Reform



A Health Alliance Medical Plans Subsidiary