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From Ronstadt Insurance, Inc. (520) 721-4848

HCR



Health Care Reform: Grandfathered Plans

Certain plans exempt from some consumer protections

The Affordable Care Act (ACA) exempts grandfathered health plans from some of the law's consumer protections. What does this mean for you?

If you have health coverage from a plan that existed on March 23, 2010, the date the law was enacted, and that plan has covered at least one person continuously from that day forward, your plan may be considered a grandfathered plan. This is true regardless of whether you are covered by an individual health insurance policy that you had on that date, or a job-based health plan that your employer first established before March 23, 2010, even if you enrolled in the job-based plan at a later date.

Determining Grandfathered Status

To determine if your plan is grandfathered:

- Check your plan's materials. Beginning with the first plan or policy year on or after Sept. 23, 2010, grandfathered health plans must disclose their grandfathered status in any plan

materials describing the plan's benefits that are distributed to beneficiaries or primary subscribers. These materials must also contain contact information for questions and complaints.

- Check with your employer or your health plan's benefits administrator. If you are in a group health plan, the date you joined may not reflect the date the plan was created. New employees and new family members may be added to a grandfathered group health plan after March 23, 2010.

Losing Grandfathered Status

A grandfathered plan can lose its grandfathered status upon making certain significant changes that reduce benefits or increase costs to you. It is important to note that although grandfathered plans can make only limited changes to the percent of the premium the employer contributes; grandfathered plans may still increase their

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total premium amount without losing grandfathered status.

Grandfathered Plan Requirements

All health plans, regardless of grandfathered status, are currently:

1. Prohibited from applying lifetime dollar limits to key health benefits;
2. Not permitted to cancel your insurance coverage solely because of an honest mistake that you or your employer made on your insurance application;
3. Required to extend dependent coverage to an enrollee's adult children until they turn 26 years of age, with one temporary exception. Until 2014, grandfathered group plans do not have to offer dependent coverage up to age 26 if a young adult is eligible for group coverage outside his or her parents' plan.

For employer-sponsored health plans, additional consumer protections apply, regardless of grandfathered status, including:

- No coverage exclusions for children with pre-existing conditions; and



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- Restricted annual dollar limits on key health benefits.

Grandfathered plans are NOT required to:

- Provide certain preventive services at no additional charge to you;
- Offer new protections when you are appealing claims and coverage denials; or
- Discontinue preauthorization or increased cost-sharing for emergency or ob-gyn care

Grandfathered individual health insurance policies, in addition to the exclusions above, are NOT required to:

- Phase out annual dollar limits on key benefits; or
- Eliminate pre-existing condition exclusions for children under 19 years old.

Source: healthcare.gov



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