



***Learn about...***

# **Health Insurance Reforms Under the Affordable Care Act**

## ***Are you in a “Grandfathered” Health Plan?***

If you have an individual policy and have had it since **March 23, 2010**, your policy may be grandfathered. If you are in an employment-related group health plan that existed on **March 23, 2010**, your plan may be “grandfathered,” even if you enrolled in your plan after that date. Grandfathered plans and policies don’t have to offer all the consumer protections that other plans have.

Read more below and at [www.HealthCare.gov](http://www.HealthCare.gov).

### **What is the difference between a grandfathered plan and other plans?**

Grandfathered plans are exempt from some—not all—provisions of the Affordable Care Act. Grandfathered *individual health insurance policies* are exempt from a few additional provisions of the Affordable Care Act that apply to all other plans. Both *group health plans* and individual health insurance policies that you bought for yourself or your family may be grandfathered. A group health plan that enrolled members on or before **March 23, 2010** may be grandfathered, even if you or your family members didn’t enroll until after that date.

**The Affordable Care Act** is the name given to the comprehensive health care reform law enacted on **March 23, 2010**.

**Are grandfathered plans exempted from parts of the law forever?**

A grandfathered plan can lose this status if it makes significant changes that reduce benefits or increase costs to consumers. (See below for more information.)

### **What parts of the Affordable Care Act apply to grandfathered plans?**

Many of the law's consumer protection provisions, which took effect on **September 23, 2010**, apply to all grandfathered plans. Those protections applied at the start of the first new “[plan year](#)” after that date—which for most people was **January 1, 2011**. At the start of the new plan year, health plans:

- 1) Are prohibited from applying lifetime dollar limits to health benefits.
- 2) Must not retroactively cancel your insurance coverage based on an unintentional mistake on an application.

- 3) Must allow children up to age 26 to stay on or be added to a parent's health plan as long as that plan offers dependent coverage.

*Note: Grandfathered group health plans do not need to provide this benefit to dependents who have access to other employer-sponsored health coverage.*

### **Which parts of the Affordable Care Act DO NOT apply to grandfathered plans?**

Unlike other health plans, grandfathered plans are **not** required to:

- 1) Provide certain recommended preventive services without charging the consumer a co-payment for that service.
  - 2) Offer new protections for consumers who are appealing claims and coverage denials.
  - 3) Protect your choice of primary health care providers and your access to emergency care.
- 1) It stops offering all or most benefits to diagnose or treat a particular condition, such as, diabetes, cystic fibrosis or HIV/AIDS.
  - 2) It increases the share of health services costs it requires you to pay-- for example, from 20% of every hospital bill to 25%.
  - 3) It increases the deductible, out-of-pocket maximum, or any cost-sharing other than a copayment, that was in effect on March 23, 2010, by more than a specified amount.
  - 4) It increases your copayment -- the flat fee that you must pay for a covered health care service—by more than a specified amount.
  - 5) It imposes a new annual limit on the dollar value of all benefits or lowers an existing annual limit.
  - 6) Your employer decreases the share of a health insurance premium it pays for you by more than five percentage points (for example, from 20 percent to 15 percent.)

### **Which parts of the Affordable Care Act DO NOT apply to grandfathered individual health insurance policies?**

Grandfathered *individual* health insurance policies are **not** required to:

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

(These protections DO apply to grandfathered group health plans.)

### **How does a health plan lose its grandfathered status?**

Your health plan will no longer be grandfathered if:

*Note: Your health plan may increase your premiums and still be considered grandfathered, as long as it doesn't make any of the changes listed above.*

### **How can I tell if my health plan is grandfathered?**

- 1) **Check your plan materials.** Health plans must disclose their grandfathered status in any plan materials in each new plan year. Plan materials are the documents your plan gives you that describe the benefits it provides. These materials must also tell you who you can contact with your questions or complaints, and how to reach them. Health plans that do not include all of

this information could no longer be considered grandfathered.

2) **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 grandfathered group health plans.

- 3) If you are enrolled in a grandfathered group health plan and experience significant changes in the benefits you receive and/or the costs you pay, contact the U.S. Department of Labor at: 1-866-444-3273 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform)

Visit [www.HealthCare.gov](http://www.HealthCare.gov) to learn more about the Affordable Care Act and how you can make the most of your expanding health care choices.