



Amendment to Grandfathering Plans

BenefitMall would like to inform you that yesterday, the federal government published an amendment to the original "grandfather" regulations that were published last June concerning how employers can maintain grandfathered health plan status.

The new amendment "allows all group health plans to switch insurance companies and shop for the same coverage at a lower cost while maintaining their grandfathered status, so long as the structure of the coverage doesn't violate one of the other rules for maintaining grandfathered plan status."

The updated announcement is posted on the U.S. Department of Health and Human Services website, [click here](#) to view that announcement. This amendment is scheduled to be published tomorrow, November 17, in the *Federal Register*.

The HHS website states further:

"The purpose of the grandfather regulation is to help people keep existing health plans that are working for them. This amendment furthers that goal by allowing employers to offer the same level of coverage through a new issuer and remain grandfathered, as long as the change in issuer does not result in significant cost increases, a reduction in benefits, or other changes described in the original grandfather rule."

HHS notes that "the original regulation only allowed self-funded plans to change third-party administrators without necessarily losing their grandfathered plan status." The revised regulation impacts "insured group health plans" but not the "individual market." HHS elaborates that "(u)nder this amendment, all employers have the flexibility to keep their grandfathered plan but change insurance company or third-party administrator." The regulation was motivated in part to allow employers to shop around for better-priced insurance.

BenefitMall will post additional details as they become available.

Please visit www.BenefitMall.com to view past Legislative Alerts in the "Newsroom" section. Or, you may visit www.HealthcareExchange.com for blog posts, polls, surveys and numerous resources. If you have any questions, please contact your local BenefitMall Sales Team and they will be happy to assist you. Thank you for taking the time to read through this important notification.

Sincerely,

A handwritten signature in black ink that reads "Michael Gomes".

Michael Gomes
Executive Vice President

The views expressed in this legislative alert do not necessarily reflect the official policy, position, or opinions of BenefitMall. This update is provided for

informational purposes. Please consult with a licensed accountant or attorney regarding any legal and tax matters discussed herein.

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