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Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

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General Comment

See attached file(s)

Attachments

IRS-2010-0010-0030.1: Comment on FR Doc # 2010-14488

August 4, 2010

Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
Room 445-G Hubert H. Humphrey Building
200 Independence Ave. SW
Washington, DC 20201

Re: OCIIO-991-IFC, The Interim Final Rules for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

On behalf of the Accreditation Review Council on Education in Surgical Technology and Surgical Assisting (www.arcstsa.org), we appreciate the opportunity to comment on the Interim Final Rules regarding grandfathered health plans under the Patient Protection and Affordable Care Act. ARC/STSA is a section 501(c)(3) non-profit accrediting organization serving more than 460 allied health discipline higher education programs in both surgical technology and surgical assisting in the United States. The ARC/STSA works in collaboration with the Commission on Accreditation of Allied Health Education Programs (CAAHEP) as one of its 18 designated Committees on Accreditation (CoA) to set national standards and determine accreditation eligibility and status for colleges, universities and other institutions.

We are a small sized tax-exempt organization. With 5 employees, we face the same obstacles to obtaining good, affordable health insurance coverage as those confronting small businesses in general. As a result, we are often captive to a small number of health insurance providers to access, and do not have the economic clout of larger enterprises.

The ARC/STSA purchases heath insurance for our employees which is fully insured. We do not have the resources or ability to self-insure as a means to control their health insurance costs and benefits. We will greatly benefit from the expanded options for health insurance that will be available beginning in 2014 through the Exchange. The Exchange will allow our organization to benefit from the economics of pooling that is not currently available.

However, because the benefits of the Exchange will not be realized until 2014, we will continue to experience annual cost increases and lack of control over actual coverage until 2014. As such, the grandfathering of our existing coverage is extremely important, especially prior to the establishment of a working Exchange system.

We are greatly concerned that the grandfather provisions outlined in the Interim Final Rules are too restrictive and will cause many tax-exempt organizations to lose the grandfathering they expected. If forced to consider options of a non-grandfathered plan before we have the benefit of an Exchange, we are concerned that we may be priced out of the market and may even have to drop coverage – something we do not want to do and a bizarre result given the intent of health care reform.

Because we are small in terms of total numbers of employees, and because we cannot self-insure, we are at the mercy of health insurance plans sold by private carriers. We do not have control over copays and cost sharing. As such, simple changes to any plan are beyond our control and can cause our plan to lose grandfather status. And since the Exchange is not currently in place, we anticipate that the prospect of finding new affordable insurance that meets the new requirements of the Patient Protection and Affordable Care Act is problematic at best. Further, in order to control costs so that health insurance can be purchased for employees, we need to work with our current insurance carriers to adjust copays and

cost sharing to the extent they can in order to afford coverage, especially in the current economic environment.

We are concerned that Interim Final Rules as currently drafted may force us and organizations like us to make the difficult and undesirable choice of canceling health care coverage if grandfather status is revoked, especially before the Exchange is in place. This is a very real concern, and in recent years significant modifications and cancellations have occurred due to rising health care costs.

We would suggest for the transition period before the Exchange is established, that small and medium sized employers be allowed to make cost saving changes to copayments and cost sharing provided they do not reduce the per-employee amount they pay for insurance. This could help us and similar organizations adjust and preserve coverage in anticipation of greater reform and options that will occur beginning in 2014. We also suggest that small and medium sized employers be allowed to change insurance carriers prior to 2014 and have their plans treated as grandfathers plans provided that they do not reduce the per-employee amount they pay for insurance. This would allow them to maintain the level of coverage for employees, but reap the benefit of a less expensive plan prior to the implementation of the Exchange.

Thank you for this opportunity to express our views on this important issue.