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Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

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Group Health Plans and Health Insurance Coverage: Status as Grandfathered Health Plan under the Patient Protection and Affordable Care Act; Cross-Reference

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Submitter Information

General Comment

It is my understanding that a grandfathered plan has been defined by ACA as one that was not subject to ERISA or State law on or before March 23, 2010. In order to be exempted from ERISA, the plan must be a self-insured plan. If the plan is self-insured, there is no insurance carrier to file the paperwork. If the plan is thru a health insurance company, then it is not grandfathered.

Even if the proposed law is correct, to say that an employer cannot change insurance carriers or they will lose their grandfathered status, is to put an enormous financial burden on small business. You may be able to limit the cost increase to the employee/insured, but you cannot limit how much the insurance carrier will charge the employer if they are forever stuck with the same insurance carrier and are not allowed to bid their insurance for better rates.