

Publications

“Grandfather” Status Under PPACA-Interim Final Rule

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On June 14, 2010, the Department of Health and Human Services (“HHS”), the Department of Labor (“DOL”), and the Internal Revenue Service (“IRS”), jointly released their highly-anticipated “Interim Final Rule for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Plan under the Patient Protection and Affordable Care Act” (the “Rule” or the “IFR”). The Rule addresses what changes an insurer or plan sponsor may make to health insurance coverage or a group health plan without loss of its “grandfather” status under the Patient Protection and Affordable Care Act (“PPACA”) and what administrative steps a plan must take to maintain grandfather status. The Rule also describes the manner in which the special rule for collectively bargained plans under PPACA interacts with the grandfather provisions. Finally, the Preamble to the Rule also clarifies that retiree-only plans and plans that provide HIPAA excepted benefits are not subject to the insurance market reforms of the PPACA. These rules are summarized in the attached memo.