



## Legislative Alert Update - Grandfathering Plans

As an update to yesterday's legislative alert regarding the amendment to [Grandfathering Plans](#), BenefitMall wants to inform you of important details released in the [Federal Register notice](#). Specifically, the new grandfathering plan amendment is only effective on or after November 15, 2010; if an employer changed health plans between March 23, 2010 and November 14, 2010, the coverage does not appear to be grandfathered.

The amendment also required an employer to provide documentation:

The amendment also provides that, to maintain status as a grandfathered health plan, a group health plan that enters into a new policy, certificate, or contract of insurance must provide to the new health insurance issuer (and the new health insurance issuer must require) documentation of plan terms (including benefits, cost sharing, employer contributions, and annual limits) under the prior health coverage sufficient to determine whether any change described in paragraph (g)(1) is being made. This documentation may include a copy of the policy or summary plan description.

The rule details an example where a 5% increase in coinsurance (i.e., from 10% to 15%) is enough to lose the grandfather status.

As more information becomes available, BenefitMall is committed to keeping you up-to-date in a timely manner. Visit [www.BenefitMall.com](http://www.BenefitMall.com) to view past Legislative Alerts in the "Newsroom" section. Or, you may visit [www.HealthcareExchange.com](http://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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