

Grandfather Status Worksheet for Self-Insured Plans

The Patient Protection and Affordable Care Act, Public Law 111-148 as amended by Public Law 111-152 (the “Act”), imposes new coverage, premium and notification requirements on group health plans. The law provides that certain benefit plans in existence on March 23, 2010 may be subject to a subset of the Act’s requirements. These plans are referred to as grandfathered plans. Those plans that are not considered grandfathered plans under the Act must comply with all the benefit plan reforms listed in the Act.

According to regulations published jointly by the Departments of Treasury, Labor and Health and Human Services (<http://www.hhs.gov/ociio/regulations/grandfather/index.html>), benefit plans existing on March 23, 2010 may meet the definition of a grandfathered health plan by making only certain, limited changes to benefits and employer contribution each year and by complying with certain notification and record retention requirements.

For your reference, the summary checklist on the attached worksheet lists the limited changes that may be made to a benefit plan so that it retains grandfathered status. Be aware that a benefit plan ceases to be a grandfathered plan if the employer or employee organization decreases its contribution rate based on the cost of coverage towards the cost of any tier of coverage for any class of similarly situated individuals by more than 5 percentage points below the contribution rate for the coverage period that includes March 23, 2010.

You should also be aware of record keeping and notification requirements if a benefit plan is to be considered grandfathered for 2011. You must:

- Include a statement in plan materials describing benefits (for example, a Plan Document or Summary Plan Description) that you believe the benefit plan is a grandfathered plan and include contact information for enrollee complaints. The regulations include sample disclosure language that may be used for this purpose. [Model Notice](#)
- Maintain records documenting the terms of the benefit plan that were in effect on the date of enactment of the Act (March 23, 2010).

As this document is not considered legal advice, we encourage you to check with your own benefits counsel for specific information about the Act and how it will impact you and your benefit plan.

We are requesting that self-funded plans certify, using the attached Certification Form, whether each of its plan options, based on the benefit changes for the Plan Year that immediately follows September 23, 2010, meets the definition of a grandfathered plan. If your plan option(s) meets all the requirements for a grandfathered plan, you should certify that this option is considered grandfathered under the Act. If a benefit option does not meet these requirements, you should certify that the option meets the requirements for non-grandfathered options.

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Plan Name and Plan Number(s): _____

Category	Requirement	Met by Group Health Plan
Benefits	The new benefit option has not eliminated all or substantially all benefits to diagnose or treat a particular condition. Plan has not eliminated benefits considered necessary to treat a particular condition.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Cost Sharing (coinsurance, deductible, copayments, or out-of-pocket limits)	The new benefit option has not : <ul style="list-style-type: none"> ▪ made any increase in percentage cost sharing amount. ▪ increased deductibles or out-of-pocket- limits more than medical inflation* plus 15 percentage points. ▪ increased copayments more than the greater of: 1) \$5 increased by medical inflation* (\$5 plus medical inflation plus \$5) or 2) medical inflation plus 15 percentage points (by expressing copayment as a percentage). 	<input type="checkbox"/> Yes <input type="checkbox"/> No
Rescissions	Group health plan prohibits rescissions except in the case of fraud or intentional misrepresentation. Cancellations are only with prior notice.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Changes in annual limits and removal of lifetime limits	The new benefit option has removed lifetime limits and has not imposed an overall annual limit on the dollar value of all benefits (except in the cases where the benefit package previously included a lifetime limit).	<input type="checkbox"/> Yes <input type="checkbox"/> No
Coverage for Adult Children	The new benefit option has included all eligible adult children up to age 26 to enroll.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Removal of Pre-Existing Exclusion clause for enrollees under 19	The new benefit option has not imposed an exclusion for pre-existing conditions for enrollees under age 19.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Changes in Employer Contribution	Employer has not decreased its contribution rate based on cost of coverage towards the cost of any tier of coverage contribution rate for the coverage period that includes March 23, 2010.	<input type="checkbox"/> Yes <input type="checkbox"/> No

* Medical Inflation means the increase since March 2010 in the overall medical care component of the Consumer Price Index for All Urban Consumers (CPI-U) (unadjusted). Increase is computed by subtracting 387.142 (CPI-U for March 2010) from the indexed amount for any months before the new change is to take effect. (Less than 1% for information available to date.)

Please complete Option 1 or Option 2 on the attached Certification and return to your Client Service Representative at least 60 days prior to your renewal date. This will ensure that your plan options are reflected accurately in our systems (grandfathered or not grandfathered) by your renewal.

Grandfather Status Certification for Self-Insured Groups

Option 1

For the Plan Year Insert Plan Year Date, **I certify, on behalf of** Insert Employer Group Name, **that the following plan option(s) qualifies as “grandfathered health plan coverage”, as that term is defined in the Patient Protection and Affordable Care Act, as amended, and its implementing regulations:**

Plan Option Name and Plan Number(s) _____

Plan Option Name and Plan Number(s) _____

Plan Option Name and Plan Number(s) _____

Insert Employer Group Name (“Employer”) agrees to notify EBS-RMSCO, Inc. within 5 business days of proposing any changes to its benefit plan design or employer contribution amount that would result in the loss of grandfathered status for one or more of the above-named plan options.

Employer agrees to indemnify, defend, and hold harmless EBS-RMSCO, Inc. and its agents, officers, employees, directors, and subcontractors, against any loss, cost, suit, claim, damage, liability or expense, including reasonable attorneys’ fees, arising (a) out of any audit, investigation, subpoena, investigative demand, action, proceeding, liability, judgment, settlement, or inquiry by the Department of Health and Human Services or any other government agency or entity or any other person or entity relating to EBS-RMSCO, Inc.’s reliance on the information provided by Employer on this Grandfathered Status Certification Form, or (b) from any inaccurate, incomplete or untimely data provided by Employer to EBS-RMSCO, Inc. relating to this Grandfathered Status Certification Form.

Signature of Plan Administrator:

Name Date

Title

Option 2

For the Plan Year Insert Plan Year Date, **I certify, on behalf of** Insert Employer Group Name, **that the following plan option(s) does not qualify as “grandfathered health plan coverage”, as that term is defined in the Patient Protection and Affordable Care Act, as amended, and its implementing regulations:**

Plan Option Name and Plan Number(s) _____

Plan Option Name and Plan Number(s) _____

Plan Option Name and Plan Number(s) _____

Signature of Plan Administrator:

Name Date

Title