



Perspectives on Retaining Grandfathered Status:

Hewitt Associates has come out with a new study (sorry, we don't have the official study name or link) of 466 large employers. It is superb, and valuable to all of us, to show what that large sampling of employers are thinking on this topic.

- 72% predict losing grandfather (GF) status because of plan design changes.
- 39% expect to lose GF because of changes to their plan subsidy levels.
- 16% because of consolidation of plans.
- 16% because of change of insurance company (for fully-insured).
- 15% because of union negotiations
- 72% say that the new guidance on preventive care did not sway their thinking about GF status.

Of employers with fully-insured,

- 46% expect to lose GF in 2011+18% by 2012.

Of Self-Funded employers,

- 21% expect to lose GF in 2011 + 21% by 2012.

The 466 surveyed employers said that their most important priority is to retain flexibility of plan design. They also say that they realized that most already would have met the non-GF requirements, so it is not a big deal.

(source: Society of Professional Benefit Administrators; shared August 17, 2010)