

Affordable Care Act

Government Finance Committee

December 12, 2013

Grandfathered Status

Affordable Care Act (ACA)

- If a health care plan maintains its *existing plan of benefits*, they are exempt from certain expanded coverage requirements.
- Existing plan of benefits includes:
 - conditions covered,
 - cost-sharing requirements,
 - annual and lifetime limits, or
 - *employer contributions*.

Employer Contributions

- A group health plan ceases to be a grandfathered health plan if the employer contribution is reduced by more than 5 percentage points below the contribution rate for the period of coverage that includes March 23, 2010.
- Should this occur, the plan would lose its grandfathered status and be subject to *expanded coverage requirements*.

Expanded Coverage Requirements

Following is a summary of the mandated expanded coverage requirements for a non-grandfathered plan along with an estimate of the potential percent increase on premiums:

- Higher level of wellness/preventive services (1.5%)
- Contraceptive services (Rx) (.5%)