

Grandfathering and Fully/Self-Insured Health Plan Regulations under the Affordable Care Act

The Affordable Care Act (ACA) includes many regulations and fees that are applicable to your health plan dependent on its status as Fully or Self-insured and its status as a "Grandfathered" Plan. Below is an explanation of new rules being applied to health plans and the plans to which these rules apply.

ACA Provisions [Year Effective (- Year Completed)]	Applies to...									
	Individual		Small Group (100 EEs or less beginning 2016)				Large Group			
	Non Grandfathered	Grandfathered	Non Grandfathered		Grandfathered		Non Grandfathered		Grandfathered	
	Fully	Fully	Fully	Self	Fully	Self	Fully	Self	Fully	Self
Coverage for Adult Dependents until Age 26 [2010] Plans must offer coverage to adult dependents.	Yes				Yes, (Until 2014, exception if dependent has access to employer coverage)		Yes		Yes, (Until 2014, exception if dependent has access to employer coverage)	
Free Preventive Care [2010] Health plans are required to cover a range of preventive services (including vaccinations, screenings, and contraceptives) at no cost to patients.	Yes	No	Yes		No		Yes		No	
No Lifetime Limits on Benefits [2011] Plans must provide unlimited lifetime coverage for essential health benefits.	Yes									
Rate Review [2011] Insurance Company must publicly justify any premium increase larger than 10%.	Yes	No	Yes		No					
Medical Loss Ratio Minimum [2011] Plans are required to spend a minimum percentage of collected premiums on medical expenses for their customers (as opposed to administration or profits).	Yes (80%)			No	Yes (80%)	No	Yes (85%)			
No Annual Limits on Benefits [Phased out 2011 to 2014] Plans may not place an annual dollar limit on coverage for essential health benefits.	Yes	No	Yes							
Provide Summary of Benefits and Coverage [2012] Health plans are required provide an easy-to-understand summary of coverage details and a glossary of important insurance terms.	Yes									
Outcomes Research Fee [2012 - 2019] Plans will be required to pay a fee to fund the Patient-Centered Outcomes Research Institute (PCORI). Starts at \$1 in 2012 and grows with inflation.	Yes									
Essential Health Benefits [2014] All fully-insured plans must cover essential health benefits defined by broad categories, including: emergency services, hospitalization, and prescription drugs, among others.	Yes	No	Yes	No						
Limit on Deductibles [2014] Annual deductibles on Essential Health Benefits can be no more than \$2,000 for single coverage and \$4,000 for family coverage in 2014. This amount will increase based on general health care cost increases.	No		Yes	No						

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	Fully	Fully	Fully	Self	Fully	Self	Fully	Self	Fully	Self
Limits on Out-of-Pocket Maximums [2014] Out-of-pocket costs on Essential Health Benefits must be limited to to \$6,350 for single coverage and \$12,700 for family coverage in 2014. Amounts will increase annual based on health care cost trends.	Yes	No	Yes		No		Yes		No	
Community Rating [2014] Plans are limited or prohibited from charging participants more based on age (3:1 ratio allowed), tobacco use (1.5:1 ratio allowed), or geography.	Yes	No	Yes	No						
Guaranteed Issue [2014] Insurers must admit and renew coverage for any consumer, regardless of health status or past usage.	Yes	No	Yes							
Reinsurance Fee [2014 - 2016] A per-covered-life fee will be charged to group health care plan to fund the "Transitional Reinsurance Program" which is designed to help stabilize premium rates in the new state-based health insurance exchanges. (\$64/life in 2014,)	Yes						Yes, (Taft-Hartley plans exempt)	Yes	Yes, (Taft-Hartley plans exempt)	
Excise Tax on High Value Health Coverage [2018] Tax payable by the plan or plan sponsor. Beginning in 2018 a 40% excise is applied to the cost of a plan in excess of certain thresholds.	Yes									