



**Grandfathered Health Plan Regulations Amended:
Employers Sponsoring Group
Health Plans May Now Change Carriers**

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The Departments of Health and Human Services, Labor, and Treasury recently issued an amendment to the interim final rules governing grandfathered health plans under the health care reform Acts. According to regulations issued in June, employers who wanted to maintain grandfathered plan status with respect to their group health insurance plans were prohibited from changing insurance plans or companies. With the amendment, starting November 17, 2010, employers have the freedom of switching over to a new policy, certificate or contract without losing their grandfathered plan status, assuming other grandfathered plan requirements are still met. The amendment applies to such changes that are effective after November 17. The amendment is not retroactive.

With this amendment, employers seeking to maintain grandfathered plan status for their group health plans will hopefully have a better opportunity to negotiate around cost increases or make other administrative changes that previously may have made it cost prohibitive to maintain a grandfathered health plan.

This article should not be construed as legal advice and is intended for general informational purposes only. If you have any questions regarding this article, you should consult your legal counsel.