

GRANDFATHERED BENEFITS

JANUARY 2021

Non-grandfathered Plans Must Cover COVID-19 Vaccine Without Cost-sharing Beginning in 2021

On Dec. 11, 2020, the Food and Drug Administration (FDA) issued an [Emergency Use Authorization](#) (EUA) for the Pfizer-BioNTech COVID-19 vaccine.

The next day, the Advisory Committee on Immunization Practices (ACIP) of the Centers for Disease Control and Prevention (CDC) recommended use of the vaccine for individuals 16 years of age and older.

The FDA subsequently issued an [EUA](#) for the Moderna COVID-19 vaccine on Dec. 18, 2020. One day later, ACIP recommended the use of the vaccine for individuals 18 years of age and older.

The ACIP recommendation of a vaccine triggers the requirement for non-grandfathered group health plans and health insurance issuers to cover the

vaccine without cost sharing under the Affordable Care Act's preventive care requirements.

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), this coverage must be provided within **15 business days** after the recommendation is made. It is understood that coverage of the Pfizer-BioNTech COVID-19 vaccine must begin no later than **Jan. 1, 2021**.

Plans and carriers may choose to cover the vaccines before this date. Grandfathered plans may also choose to cover the vaccines, and could be required to do so under state law or pursuant to the terms of an insurance policy.

For more information, contact Kinloch Consulting Group, Inc. today.

Final Rule Allows Greater Flexibility for Grandfathered Plans Under the ACA

On Dec. 15, 2020, the Departments of Labor, Health and Human Services and the Treasury (Departments) published a [final rule](#) that provides greater flexibility for grandfathered plans under the Affordable Care Act (ACA).

A grandfathered plan is a group health plan or health insurance coverage that was in existence on March 23, 2010 (the date the ACA was passed), that has not made certain prohibited changes to lose its grandfather status. Grandfathered plans are exempt from certain ACA requirements.

The final rule:

- Allows grandfathered high deductible health plan (HDHP) coverage to increase fixed-amount cost-sharing

requirements, such as deductibles, to the extent necessary to maintain its status as an HDHP without losing grandfather status; and

- Provides an **alternative method of measuring permitted increases in fixed-amount cost sharing** that is intended to allow plans and issuers to better account for changes in the costs of health coverage over time.

This additional flexibility may allow additional plans to maintain their grandfather status, despite certain changes being made to the plan.

Contact us today to discuss the potential impact that the final rule may have on your business.