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MAY 10, 2010, 8:52 AM ET

What Defines a 'Grandfathered' Health Insurance Plan?

Realizing that it's difficult for employers and insurance companies to turn on a dime, legislators included a "grandfather" provision in the health-care overhaul law: existing health plans don't have to adopt all the changes required by the bill.

Now attention has turned to what qualifies as a grandfathered plan, [reports Kaiser Health News](#). It's so far unclear whether, for example, a plan that makes any changes at all, even routine ones, loses its status and is thus subject to all the rules included in the law.



That's important because those rules include things that directly affect consumers, such as an end to co-pays for some preventive health services and a cap on out-of-pocket costs. (Other protections, such as an end to lifetime insurance limits and a ban on [rescission](#), apply to all plans.) But if grandfathering is defined broadly, a plan might be able to make some changes to its coverage yet sidestep some consumer protections. And the plan might do so in perpetuity, since there's no automatic end date to grandfather status, one cancer policy analyst tells KHN.

Confusion seems to be reigning, with employers and insurance commissioners awaiting further interpretation of the law. Federal guidance is expected to be issued "soon," KHN says.

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