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Proposed regulations: Grandfathered group health plans, group health insurance coverage

The U.S. Treasury Department and IRS, along with the Labor Department and Department of Health and Human Services, today released for publication in the Federal Register a notice of proposed rulemaking (REG-130081-19) regarding grandfathered group health plans and grandfathered group health insurance coverage.

The proposed regulations, if finalized, would amend the current rules to provide greater flexibility for certain health plans in existence before the "Patient Protection and Affordable Care Act" took effect to make changes to certain types of cost-sharing requirements without causing a loss of grandfather status.

Read the [proposed regulations](#) [PDF 409 KB] (22 pages as published in the Federal Register)

The proposed regulations were published in the Federal Register on July 15, 2020. Comments about the proposed regulations are due August 14, 2020.

According to the preamble, the changes proposed would enable eligible plans to continue offering affordable coverage while also enhancing their ability to respond to rising healthcare costs. Group health plans would be permitted to increase cost-sharing requirements for enrolled individuals as long as they do not exceed certain limits.

In some situations, the proposed changes would allow plans to comply with minimum cost-sharing requirements for high deductible health plans (HDHPs) so enrolled individuals are eligible to contribute to health savings accounts (HSAs). These proposed regulations would not apply to or otherwise change the current requirements applicable to grandfathered individual health insurance coverage. In addition, the proposed rules would not provide any opportunity for a plan or coverage that has lost its grandfather status under existing rules to regain that status.

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