

BENEFITS BUZZ

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 Pfizer Inc.'s COVID-19 vaccine. This EUA allowed distribution of the vaccine to begin immediately in the United States.

The day after the FDA approved the vaccine, 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 ACIP recommendation 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), coverage of the vaccine must be provided within **15 business days** after the recommendation is made.

There is some uncertainty regarding the timing, but it is widely understood that coverage of the COVID-19 vaccine must begin no later than **Jan. 1, 2021**.

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

For more information, contact VCG Consultants 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.