

# PUBLIC SUBMISSION

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Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

**Comment On:** HHS-OS-2010-0015-0001

Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

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Comment on FR Doc # 2010-14488

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## General Comment

The Agencies have requested comments on on how network and drug formulary changes should be treated and whether they constitute a significant plan change. I offer comments as the administrator of a Self Funded Plan. Changes in a network are usually done so that Plan Participants have the advantage of a wide choice of providers in their geographic area. New network may offer financially advantageous discounts to both the Participants and the Plan. This is an effective way of "bending the cost curve" without increasing out-of-pocket. It is important to note that networks can be changed without changing carriers.

For example, one proposed change in network increased provider penetration nationwide, increased network discounts almost 5% and is projected to save a health plan almost \$1M in three years. It is a significant change but one with no adverse affects on the Participants.

Modifying a drug formulary can also "bend the cost curve" while affecting only those members who use the drugs involved in the modification. Typically, formularies are modified to make them consistent with FDA guidelines in the use of prescription drugs. It may involve moving tiers or disallowing drugs not proven effective or for which there are multiple other alternatives. This is not a significant change but a evolutionary process that addresses the ongoing changes in medicine.