



RESCISSION OF PLANS3

What does the provision prohibiting cancellation mean for individual policyholders and covered individuals?

The PPACA bans rescission (cancellation) of health care coverage of an individual except for fraud or material misrepresentation provided the policy/plan provides for rescission.

The ban applies to individual policies and insured and self-insured group health plans (including grandfathered plans). If coverage is rescinded, the law requires 30 days advance notice to the enrollee.