



BULLETIN 16-11

TO: ALL INSURERS AUTHORIZED TO TRANSACT HEALTH INSURANCE IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: NON-GRANDFATHERED PLAN EXTENDED TRANSITION

On February 29, 2016, the Centers for Medicare and Medicaid Services' Center for Consumer Information and Insurance Oversight (CCIIO) issued an Insurance Standards Bulletin further extending the transitional policy. The current policy was outlined in Bulletin B 16-04, issued by the Division of Insurance on March 24, 2016. Bulletin 16-11 is being issued to include individual health insurance within the scope of the previous bulletin.

Consistent with state requirements and the division's enforcement authority, the division will allow insurers the option to renew non-ACA-compliant small group and individual coverage if coverage has been continuously in effect since December 31, 2013. Policies may continue to be renewed on or before October 1, 2017 provided the policy will terminate by December 31, 2017. Insurers may early renew coverage or issue coverage for periods less than one year if a policy terminates prior to December 31, 2017 and, in the case of small group, the employer desires coverage to the end of the calendar year. Insurers electing to extend non-ACA-compliant plans have the following options for employer-sponsored group outreach and enrollment:

1. An insurer may permit employer-sponsored groups currently enrolled in the insurer's non-ACA-compliant plan to continue to renew their coverage.
2. An insurer may provide an additional opportunity to renew coverage in its non-ACA compliant plan to an employer-sponsored group that is currently enrolled in the insurer's non-ACA compliant plan but has indicated its intent to nonrenew at the end of the plan year.

It is important to note that in order for a transitional policy to be continued, small group and individual coverage must have been in force on December 31, 2013. The guidance contained in this bulletin does not apply to "newly obtained coverage." "Newly obtained coverage" does NOT include normal enrollment changes (e.g., adding dependents or new employees) nor does it include coverage that has merely received a premium change or plan changes, such as modified copayments, coinsurance, deductibles, or provider networks, before or after December 31, 2013. It should be noted that these plan changes must conform to the uniform modification to coverage requirements under 45 CFR § 147.106.

Insurers opting to renew non-ACA-compliant plans must provide disclosure to their enrollees, including notice that an enrollee's premium may be affected, either on the date of renewal or in advance of the date on which the premium change will be affected.

Keep in mind that health insurance rates must be filed with the division at least 45 days prior to the proposed effective date of the rates. Insurers that choose to take advantage of the transition plan and plan to offer renewal of non-grandfathered plans must submit rates for this non-grandfathered business as required under 3 AAC 31.235.

This bulletin applies to all insurers offering comprehensive small group and individual health insurance plans. Any questions concerning this bulletin should be directed to Sarah Bailey at sarah.bailey@alaska.gov or (907) 465-4608.

Bulletin B 16-11 supersedes Bulletins B 14-03 and B 16-04.

Dated this 28th day of October, 2016



Lori Wing-Hefer
Division Director