



OKLAHOMA INSURANCE DEPARTMENT

BULLETIN NO.: LH 2014-01

TO: All Health Insurance Companies and Health Maintenance Organizations

RE: Renewal of Non-ACA Compliant Policies

FROM: Mike Rhoads, Deputy Commissioner

DATE: March 26, 2014

The purpose of this bulletin is to inform all Oklahoma licensed health insurance carriers of the requirements of the Oklahoma Insurance Department (OID) as they relate to the bulletin released by the Centers for Medicare and Medicaid (CMS) on the *Extended Transition to Affordable Care Act –Compliant Policies* dated March 5, 2014. The following requirements must be met for policy extensions to be effective in the Oklahoma marketplace.

Each Oklahoma licensed health insurance carrier must file a plan with the OID no later than July 1, 2014, advising if they will be implementing the Extended Transition as well as a description of how they will be implementing the Extended Transition for their policyholders or enrollees. The carrier must apply their implementation plan uniformly across all market segments (individual and small group) in order to eliminate ‘cherry picking’ of the risk in their market segment.

The plan should include a confirmation from the carrier that their renewal actions to be implemented will be consistent with and conform to Oklahoma laws governing insurance renewals. This plan and future notifications related to the plan will be filed through the System for Electronic Rate and Form Filing (SERFF) system to ensure receipt and confirmation of the documentation. When submitting the SERFF filing, use the appropriate TOI for the type of policy at issue. The Sub-TOI will be “Other” and the filing type will be “Report”. No filing fees are required. A copy of the Policy Holder Notice should be submitted under the Supporting Documentation Tab.

OID has compiled a list of Frequently Asked Questions (FAQ’s), which follow this Bulletin. These FAQ’s will be supplemented as necessary.

Questions or comments applicable to this bulletin should be directed to Mike Rhoads (Mike.Rhoads@oid.ok.gov) or Susan Dobbins (Susan.Dobbins@oid.ok.gov), Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th, Suite 100, Oklahoma City, OK 73112.

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's website at <http://oid.ok.gov> for news and updates to Bulletins and other relevant material.

FREQUENTLY ASKED QUESTIONS

Q1. Will non-qualified health plans subject to the latest transition relief policy be considered as part of the single risk pool?

A1. No, transitional policies are not required to be in a single risk pool.

Q2. Can carriers sell new transition relief policies?

A2. No. Transition relief applies to renewals only.

Q3. Will carriers be permitted to increase rates and change benefits in these transition relief policies?

A3. Yes. Carriers must comply with rates/form requirements and Small Group Reform Statutes for those groups with 50 or fewer members. Only those benefit plan forms currently on file with OID may be used to change benefits for these policyholders.

Q4. What is the effective date of the transition period?

A4. Carriers can begin to renew policies immediately and may issue interim renewal policies for up to 90 days or until July 1, 2014. This will permit the carrier to re-activate rating models and reorganize internal resources to support the transitional extension.

Q5. Are carriers required to implement the transitional extension?

A5. No. Carriers may elect at their discretion to implement the transition for only their Individual Market or Group Market or both segments or not at all. If a carrier does not elect to renew existing policies, appropriate notice of the termination must be given to their policyholders.

Q6. What are the notification requirements?

A6. See CMS Guidance dated March 5, 2014, Attachment 1 & 2 (attached).

Q7. May a carrier modify, customize or include other materials with this notice?

A7. No, a carrier must use the notice as distributed by CMS/CCIIO and it must be mailed separately.

Q8. May a carrier selectively renew existing policies?

A8. No. Renewals must be offered to all participants in a market segment.

Q9. Are groups sized 50-99 included in the transition extension?

A9. The OID has no statutory basis for disallowing the renewal under the transition extension. Carriers should follow guidance in the attached CMS bulletin dated March 5, 2014, that appropriately addresses this size class as being eligible for this transition.