



**OKLAHOMA INSURANCE DEPARTMENT**  
STATE OF OKLAHOMA

**BULLETIN NO. LH 2011-02**

**TO: All Oklahoma licensed health carriers  
All Oklahoma producers with a health line of authority**

**RE: Health insurance coverage for children**

**FROM: John D. Doak, Insurance Commissioner**

**DATE: June 6, 2011**

The Oklahoma Insurance Department is very much aware of the effect that federal regulations implementing the Affordable Care Act has had on the market for child only health insurance coverage. This bulletin provides information on recent developments that should assist that market to recover. One development is the adoption of a new rule regulating the sale of child only coverage; the other is an expansion of the eligibility requirements for the Temporary High Risk Pool.

The new rule, OAC 365:10-15, "Eliminating unfair discrimination on basis of children as single applicants" becomes effective July 14, 2011. This rule defines a "child only policy" as an individual health benefit policy which provides coverage to an individual under the age of 19. This definition does not include policies that cover a child as a dependent.

Enrollment in a child only policy is allowed only for 30 days following a qualifying event or during the specified annual open enrollment period. A qualifying event is birth, adoption, or an involuntary loss of coverage due to the marriage of the child, dissolution of the parents' marriage, death of a parent, loss of employer sponsored insurance, loss of eligibility under an Oklahoma Medicaid program, entry of a court order mandating coverage of the child, or loss of existing coverage for any reason other than fraud, misrepresentation or failure to pay premium.

In 2011, the open enrollment period will be from September 1 through October 31. In 2012 and after, the open enrollment period will be from June 1 through July 31 of each year. Only carriers that participate in the most recent open enrollment period can write child only policies for a child experiencing a qualifying event.

The new rule balances the need to provide access to health coverage for children with reasonable protections to prevent adverse selection against a carrier. Carriers are permitted to consider an applicant's medical history in determining the applicable premium rate. If a carrier determines that

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coverage can only be offered with a rate up, the carrier should consider whether the applicant may be eligible for the Temporary High Risk Pool.

Eligibility of children under the age of 19 for the Temporary High Risk Pool has been expanded by defining pre-existing condition as: 1) a carrier's offer to issue coverage with a rating that is 125 percent, or more, higher than the company's standard rate for a child under the age of 19 due to the child's pre-existing medical condition; or 2) a statement dated within the past 12 months from a physician stating that the child had, or presently has a medical condition.

If an applicant appears to be eligible under the expanded criteria discussed above, the carrier should provide information about the Temporary High Risk Pool to the applicant in the offer of coverage. Or, if a producer or carrier receives an inquiry, outside the enrollment periods provided for in the new rule, about the availability of coverage, the producer or carrier should refer the inquiry to the Temporary High Risk Pool's Executive Director, Tanya Case, [Tanya@othrp.org](mailto:Tanya@othrp.org) or the Pool's website, <http://www.bcbsok.com/ohrp/>.

**Questions or comments applicable to this bulletin should be directed to Mike Rhoads, Deputy Commissioner of Health Insurance, [Mike.Rhoads@oid.ok.gov](mailto:Mike.Rhoads@oid.ok.gov) or Susan D. Dobbins, Assistant General Counsel, [Susan.Dobbins@oid.ok.gov](mailto:Susan.Dobbins@oid.ok.gov) of the Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56<sup>th</sup>, Suite 100, Oklahoma City, OK 73112.**

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