

BULLETIN 2013-01

Extension of Non-ACA Compliant Plans

Effective December 3, 2013

On November 14, 2013, the Center for Consumer Information and Insurance Oversight (CCIIO) issued a [letter](#) to state Insurance Commissioners recommending the adoption of CCIIO's transitional policy for non-grandfathered health insurance plans in the individual and small group markets that would otherwise terminate or require modification as a result of the federal health insurance market reforms required under the Patient Protection and Affordable Care Act (ACA).

In light of CCIIO's transitional policy, insurers in Ohio may offer their insureds the ability to renew, at the insured's option, plans that were in effect on October 1, 2013, for a policy year starting between January 1, 2014, and October 1, 2014. Issuers wishing to extend coverage shall follow CCIIO's transitional policy, including [federal notice requirements](#), offering reenrollment or extended coverage to impacted policyholders in the individual and/or small group market in a uniform and non-discriminatory manner in accordance with Ohio law (ORC §3924.03 and §3923.57).

Insurers renewing plans that are not ACA compliant shall disclose to insureds that an insured's premium may be affected, and the time at which any changes to their coverage or premiums will take place. In light of the timing of CCIIO's letter, forms filed in accordance with this bulletin may be used upon filing. Additional premium for such coverage will take effect upon the later of the effective date requested and the approval date for individual and nonemployer group rates. For employer based coverage the additional premium will take effect upon the effective date requested. As required under Ohio law, renewals shall be treated uniformly and without regard to health status.

Please note that individual coverage includes sickness and accident insurance made available in the individual market to individuals, with or without family members or dependents, through group policies issued to one or more associations, trusts or other entities. Small group coverage applies to only employer sponsored plans.

To take advantage of CCIIO's transitional policy, filings must meet the requirements specified below.

Rate Changes

Rate filings will be allowed for total rate changes less than or equal to a 15% annualized increase in premium, including the impact of trend increases and any adjustments to base rates and rating factors. The filing must comply with all rate increase filing requirements including but not limited, to an actuarial memorandum that quantitatively supports all premium factors to be changed and trend factor(s), actuarial soundness of premium rates, and the premium rates to be charged (ORC §3923.021 and §1751.12).

Form Filings

Exhibits A1-A2 are form template versions that must be used in constructing riders, endorsements, or amendments, as applicable, (ACA Riders), to implement the transitional relief afforded under CCIIO's policy. Each form template version contains standard language that is applicable to a specific ACA transition-eligible market and plan type and that addresses ACA provisions that are not afforded transitional relief and thus will take effect in 2014. Insureds shall also be provided any additional applicable coverage, and any necessary information relating to such coverage, that is not listed in the form template in order to ensure compliance with applicable state or federal law.

The content of the ACA Rider(s) must be verbatim to the Exhibit A language, except for the application of variable (bracketed) language or information, and the omission of Drafting Notes. Plans that already comply with one or more of the mandates do not need to include the applicable language. No other changes to forms are permitted.

A list of the contract forms for which the ACA Rider will be used, and any amendments thereto, must be submitted and must include the form number, form name/description, ODI filing number and ODI approval date for each contract form listed.

Superintendent of Insurance



Mary Taylor
Lt. Governor/Director

Exhibit A1 – For Use with Non-Grandfathered Individual Contracts in effect on October 1, 2013
ACA 2014 TRANSITIONAL MARKET REFORM AMENDMENT TEMPLATE

Drafting Note: Language provided in this template must be used verbatim, except for variable text, indicated in this template by text enclosed in square brackets ([]). A Statement of Variability must be provided that includes all variable text items.

When optional language, indicated by text enclosed in braces ({}), is applicable for a specific type of plan (e.g., network plans, Health Insuring Corporations (HMOs), or plans that require selection of a primary care provider), it must also be inserted verbatim.

The heading text above this note and all “Drafting Notes” must be removed from this form prior to submission.

[Name of Insurance Company]

Patient Protection and Affordable Care Act Market Reforms of 2014
Transitional [Amendment/Endorsement/Rider]

This [Amendment/Endorsement/Rider] amends your health benefit plan (Plan), and becomes a part of your Plan as of [mm/dd/yyyy], the Effective Date. Please place this [Amendment/Endorsement/Rider] with your [policy/evidence of coverage] for future reference.

On the Effective Date of this [Amendment/Endorsement/Rider], certain benefits, terms, conditions, limitations, and exclusions in your Plan will be amended to comply with certain 2014 requirements of the federal health care reform legislation, the Patient Protection and Affordable Care Act of 2010, in light of the transitional policy communicated by the President on November 14, 2013 and further clarified by the Center for Consumer Information and Oversight (CCIIO). Pursuant to the transitional policy, your Plan may not comply with all of the 2014 ACA market reforms.

In the event that there is an inconsistency between any state or federal law and the language of this [Amendment/Endorsement/Rider], or any other wording attached to this [Amendment/Endorsement/Rider], then to the extent permitted by law, the Insurer will resolve the inconsistency by applying the terms, conditions or limitations that are more favorable to the Insured under the applicable law.

Regardless of the terms and conditions of any other provisions of your Plan, this [Amendment/Endorsement/Rider] will control.

Annual Dollar Limits

For a plan year beginning on or after January 1, 2014, there is no dollar limit for any Essential Health Benefits covered under your Plan and your Plan must comply with section 2711 of the Public Health Service Act, as amended, and any applicable implementing regulations.

Mental Health Parity

For a plan year beginning on or after [January 1, 2014/July 1, 2014], all financial requirements and treatment limitations imposed on any mental health and substance use disorder benefits provided under your Plan cannot be more restrictive than the predominant financial requirements and treatment limitations that apply to substantially all medical/surgical benefits. Treatment of mental health and substance use disorder benefits provided under your Plan must comply with section 2726 of Public Health Service Act, as amended, and any applicable implementing regulations.

This [Amendment/Endorsement/Rider] takes effect on the {later of the} effective date of the Plan to which it is attached {or [Month Day, Year]} {shown in the Certificate Schedule}. This [Amendment/Endorsement/Rider] terminates concurrently with the Plan to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Plan except as stated.

IN WITNESS WHEREOF:

[Name of Company]

[Signature]

[President's Name]

Exhibit A2 – For Use with Non-Grandfathered Small Group Contracts in effect on October 1, 2013

ACA 2014 TRANSITIONAL MARKET REFORM AMENDMENT TEMPLATE

Drafting Note: Language provided in this template must be used verbatim, except for variable text, indicated in this template by text enclosed in square brackets ([]). A Statement of Variability must be provided that includes all variable text items.

When optional language, indicated by text enclosed in braces ({}), is applicable for a specific type of plan (e.g., network plans, Health Insuring Corporations (HMOs), or plans that require selection of a primary care provider), it must also be inserted verbatim.

The heading text above this note and all “Drafting Notes” must be removed from this form prior to submission.

[Name of Insurance Company]

Patient Protection and Affordable Care Act Market Reforms of 2014
Transitional [Amendment/Endorsement/Rider]

This [Amendment/Endorsement/Rider] amends your health benefit plan (Plan), and becomes a part of your Plan as of [mm/dd/yyyy], the Effective Date. Please place this [Amendment/Endorsement/Rider] with your [policy/evidence of coverage] for future reference.

On the Effective Date of this [Amendment/Endorsement/Rider], certain benefits, terms, conditions, limitations, and exclusions in your Plan will be amended to comply with certain 2014 requirements of the federal health care reform legislation, the Patient Protection and Affordable Care Act of 2010, in light of the transitional policy communicated by the President on November 14, 2013 and further clarified by the Center for Consumer Information and Oversight (CCIIO). Pursuant to the transitional policy, your Plan may not comply with all of the 2014 ACA market reforms.

In the event that there is an inconsistency between any state or federal law and the language of this [Amendment/Endorsement/Rider], or any other wording attached to this [Amendment/Endorsement/Rider], then to the extent permitted by law, the Insurer will resolve the inconsistency by applying the terms, conditions or limitations that are more favorable to the Insured under the applicable law.

Regardless of the terms and conditions of any other provisions of your Plan, this [Amendment/Endorsement/Rider] will control.

Annual Dollar Limits

For a plan year beginning on or after January 1, 2014, there is no dollar limit for any Essential Health Benefits covered under your Plan and your Plan must comply with section 2711 of the Public Health Service Act, as amended, and any applicable implementing regulations.

Prohibition of Preexisting Condition Exclusions or Other Discrimination Based on Health Status

For a plan year beginning on or after January 1, 2014, preexisting condition exclusions with respect to such plan or coverage may not be imposed and your Plan must comply with section 2704 of the Public Health Service Act, as amended, and any applicable implementing regulations.

Prohibition of Discrimination Against Individual Participants and Beneficiaries Based on Health Status

For a plan year beginning on or after January 1, 2014, rules for eligibility under the terms of this plan or coverage may not be based on health status-related factors in relation to an individual or a dependent of an individual and your Plan must comply with section 2705 of the Public Health Service Act, as amended, and any applicable implementing regulations.

This [Amendment/Endorsement/Rider] takes effect on the {later of the} effective date of the Plan to which it is attached {or [Month Day, Year]} {shown in the Certificate Schedule}. This [Amendment/Endorsement/Rider] terminates concurrently with the Plan to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Plan except as stated.

IN WITNESS WHEREOF:

[Name of Company]

[Signature]

[President's Name]