**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 18-0416-1901**
**(New Chapter)**

**IDAPA 18**
**TITLE 04**
**CHAPTER 16**

## 18.04.16 – RULES GOVERNING SHORT-TERM HEALTH INSURANCE COVERAGE

**000. LEGAL AUTHORITY.**
Title 41, Chapters 2, 21, 42, and 52, Idaho Code. ( )

**001. TITLE AND SCOPE.**

**01. Title**. IDAPA 18.04.16, "Rules Governing Short-Term Health Insurance Coverage." ( )

**02. Purpose and Scope**. Implement Title 41, Chapters 21, 42, and 52, Idaho Code, regarding short-term, limited-duration insurance by defining requirements for enhanced short-term plans and nonrenewable short-term coverage, including minimum standards for benefits, rating rules, enrollment, renewability and required disclosure provisions. ( )

**03. Applicability**. This rule applies to all enhanced short-term plans and nonrenewable short-term coverage that provide medical expense coverage. ( )

**002. ADMINISTRATIVE APPEALS.**
All administrative appeals will be governed by Title 41, Chapter 2, Idaho Code; Title 67, Chapter 52, Idaho Code; and IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General." ( )

**003. -- 009. (RESERVED)**

**010. DEFINITIONS.**
In addition to the applicable definitions in Chapters 21, 42, and 52, Idaho Code, the following definitions apply: ( )

**01. Benchmark Medical Plan**. The health benefit plan identified by the U.S. Department of Health and Human Services to be applicable in establishing required benefit coverages by Qualified Health Plans within Idaho, excluding any supplements for pediatric dental or vision. ( )

**02. Exchange**. Has the meaning set forth in Section 41-6103, Idaho Code. ( )

**03. Nonrenewable Short-term Coverage**. Short-term, limited-duration insurance that is not renewable, has a duration of six (6) months or less in total, and is not an Enhanced Short-term Plan under Section 41-5203(11), Idaho Code, and this rule. ( )

**04. Preexisting Condition**. ( )

**a.** A condition for which an ordinarily prudent person would seek medical advice, diagnosis, care or treatment during the six (6) months immediately preceding the effective date of coverage; ( )

**b.** A condition for which medical advice, diagnosis, care or treatment was recommended or received during the six (6) months immediately preceding the effective date of coverage; or ( )

**c.** A pregnancy existing on the effective date of coverage. ( )

**05. Qualified Health Plan or QHP**. A health plan certified as such by the Exchange. ( )

**06. Reissuance or Replace**. The practice of issuing a short-term, limited-duration insurance policy covering at least one individual having short-term, limited-duration insurance coverage within sixty-three (63) days of the policy's effective date. ( )

**07. Short-term, Limited-duration Insurance**. Health insurance coverage pursuant to a contract that has a specified expiration date less than twelve (12) months after the original effective date of the contract and, including renewals or extensions, has a total duration of no longer than thirty-six (36) months. ( )

**011. GENERAL RULES FOR ENHANCED SHORT-TERM PLANS.**

**01. Application of Requirements**. Any short-term, limited-duration insurance that, including renewals, reissuance or extensions, has a total duration of longer than six (6) months is subject to the requirements applicable to enhanced short-term plans. ( )

**02. Guaranteed Issue**. Enhanced short-term plans are only to be offered on a guaranteed issue basis. ( )

**03. Portability**. Enhanced short-term plan coverage is qualifying previous coverage under Title 41, Chapter 52, Idaho Code. Preexisting condition exclusions must be waived for the period of time an individual was previously covered by an enhanced short-term plan or other qualifying previous coverage. ( )

**04. Requirement to Offer Exchange Plans**. To offer an enhanced short-term plan, a carrier must offer individual QHPs through the Exchange in the same service area. ( )

**012. GENERAL RULES FOR NONRENEWABLE SHORT-TERM COVERAGE.**
Nonrenewable short-term coverage is subject to the provisions of IDAPA 18.04.14, Sections 086, 087, 088, and 101. ( )

**013. -- 019. (RESERVED)**

**020. ENROLLMENT.**

**01. Enhanced Short-term Plans**. There are two exclusive options for enhanced short-term plan enrollment. ( )

**a.** Year-round Enrollment. If a carrier allows year-round enrollment in enhanced short-term plans, the following provisions apply: ( )

i. A preexisting condition exclusion period, as defined at Subsection 010.04, may be applied, subject to Section 41-5208, Idaho Code. ( )

ii. The policy must be offered on a plan year basis, not a calendar year basis. ( )

**b.** Annual Open Enrollment Period. If a carrier restricts enrollment in enhanced short-term plans to an annual open enrollment period, the following apply: ( )

i. No preexisting condition exclusion period may be applied. ( )

ii. The beginning and ending dates of the open enrollment period are identical to those for enrollment in QHPs, unless the Director allows an extension of the open enrollment period for enhanced short-term plans after determining it is in the public interest. ( )

iii. Special enrollment periods must be allowed to the same extent as QHP enrollment. ( )

**02. Nonrenewable Short-term Coverage**. Nonrenewable short-term coverage is to be offered on a year-round basis. ( )

**021. RENEWAL AND REISSUANCE.**

**01. Enhanced Short-term Plans Renewals**. ( )

**a.** A policy must be renewable at the option of the enrollee, consistent with Section 41-5207, Idaho Code. ( )

**b.** No new application or questions concerning the health or medical condition of the covered individuals may be requested to effectuate the renewal. ( )

**c.** A policy is not to be renewable beyond thirty-six (36) consecutive months. ( )

**d.** Upon exhaustion of a policy's renewability due to duration or age, the policyholder is eligible for enrollment into fully renewable coverage, including all of the current carrier's QHPs, when an enhanced short-term policy has been in effect for at least eleven (11) months. Timely notification of eligibility must be provided to the policyholder plus the notification of any offer of reissuance. ( )

**02. Enhanced Short-term Plans Reissuances**. Upon exhausting renewability due to duration or age, the following provisions apply to reissuance: ( )

**a.** No new application or questions concerning the health or medical condition of the covered individuals may be requested for reissuance. ( )

**b.** The reissuance premium rate is a change in premium rate subject to IDAPA 18.04.14.036.17. ( )

**03. Nonrenewable Coverage**. Carriers may not renew nonrenewable short-term coverage and may not reissue or replace nonrenewable short-term coverage issued by the same or another carrier. ( )

**022. RATING REQUIREMENTS.**

**01. Enhanced Short-term Plans**. In addition to the requirements applicable to individual health benefit plans, the following rating requirements apply: ( )

**a.** Premium rates may not vary by gender. ( )

**b.** Geographic rating areas identical to those used for Exchange-offered QHPs. ( )

**c.** Medical underwriting criteria may be used to ascertain the risk characteristics of an applicant, if the criteria are limited to those in the Universal Health Statement Addendum and available claims data. ( )

**d.** Enhanced short-term plans comprise a single risk pool with the carrier's other actively marketed individual health benefit plans subject to Title 41, Chapter 52, Idaho Code. ( )

**e.** The rating period is on a calendar year basis, whereby the rates filed apply to all enrollees uniformly during a given calendar year and premium rate changes occur at the start of a new calendar year. ( )

**02. Nonrenewable Short-term Coverage**. The following rating requirements apply: ( )

**a.** The rates cannot utilize case characteristics other than age, individual tobacco use, and geography but may vary by the duration of coverage requested. ( )

**b.** Case characteristics are applied uniformly, without regard to the risk characteristics of an eligible individual. ( )

**c.** The premium rate is not affected by an applicant's risk characteristics or health status. ( )

**d.** The premium rate remains the same for the duration of the policy. ( )

**023. -- 030. (RESERVED)**

**031. MINIMUM STANDARDS FOR BENEFITS.**

**01. Required Covered Benefits**. ( )

**a.** Daily hospital room and board expenses subject only to limitations based on average daily cost of the semiprivate room rate in the area where the insured resides; ( )

**b.** Miscellaneous hospital services; ( )

**c.** Surgical services; ( )

**d.** Anesthesia services; ( )

**e.** In-hospital medical services; and ( )

**f.** Out-of-hospital care, consisting of physicians' services rendered on an ambulatory basis where coverage is not provided elsewhere in the policy for diagnosis and treatment of sickness or injury, diagnostic x-ray, laboratory services, radiation therapy, and hemodialysis ordered by a physician. ( )

**02. Minimum Additional Benefits**. A separate premium corresponding to additional benefits offered through a rider must be filed and actuarially justified. A policy must provide not fewer than three (3) of the following additional benefits: ( )

**a.** In-hospital private duty registered nurse services; ( )

**b.** Convalescent nursing home care; ( )

**c.** Diagnosis and treatment by a radiologist or physiotherapist; ( )

**d.** Rental of special medical equipment, as defined by the insurer in the policy; ( )

**e.** Artificial limbs or eyes, casts, splints, trusses or braces; ( )

**f.** Treatment for functional nervous disorders, and mental and emotional disorders; or ( )

**g.** Out-of-hospital prescription drugs and medications. ( )

**03. Enhanced Short-term Plans Covered Benefits**. The following covered benefits and limitations must be provided consistent with the Benchmark Medical Plan, including: ( )

**a.** Ambulatory (outpatient) patient services; ( )

**b.** Emergency services; ( )

**c.** Hospitalization; ( )

**d.** Maternity and newborn care; ( )

**e.** Mental health and substance use disorder services, including behavioral health treatment; ( )

**f.** Prescription drugs; ( )

**g.** Rehabilitative and habilitative services and devices; ( )

**h.** Laboratory services; and ( )

**i.** Preventive and wellness services and chronic disease management. ( )

**04. Prescription Drug Formulary**. If a prescription drug coverage formulary is applied, the applicable formulary drug list must: ( )

**a.** Include at least one drug in every United States Pharmacopeia (USP) category and class; ( )

**b.** Cover a range of drugs across a broad distribution of therapeutic categories and classes and recommended drug treatment regimens that treat all covered disease states, and does not discourage enrollment by any group of enrollees; and ( )

**c.** Provide appropriate access to drugs included in broadly accepted treatment guidelines and indicative of then-current general best practices. ( )

**05. Cost Sharing**. ( )

**a.** Except for out-of-network benefits offered as part of a managed care plan, a coinsurance percentage may not exceed fifty percent (50%) of covered charges. A coinsurance percentage for out-of-network benefits offered as part of a managed care plan may not exceed sixty percent (60%) of covered charges. ( )

**b.** The maximum out-of-pocket must be stated in the policy and in aggregate may not exceed four percent (4%) of the aggregate annual limit under the policy for each covered person. All deductibles, copayments, coinsurance and any other cost-sharing are applicable to the maximum out-of-pocket. Within the aggregate maximum, the policy may include separate out-of-pocket limits applicable to particular services. ( )

**c.** The annual limit is no less than one million dollars ($1,000,000) for each covered person. ( )

**d.** Enhanced short-term plans must provide coverage for and not impose any cost sharing requirements for preventive and wellness services consistent with QHP requirements. ( )

**06. Applicability of Mental Health Parity**. Enhanced short-term plans must meet the requirements of Section 2726 of the Public Health Service Act (Mental Health Parity and Addiction Equity Act) in the same manner and extent as QHPs. ( )

**07. Benefit Requirements**. The minimum benefits required by Subsections 030.01, 030.02, and 030.03 may be subject to all applicable deductibles, coinsurance and general policy exceptions and limitations. Except as prohibited by Subsections 030.03, 030.05, and 030.06, a policy may also have special or internal limitations for nursing facilities, transplants, experimental treatments, services covered under Subsection 030.02, and other special or internal limitations authorized by the Director. Except as authorized by this Subsection through the application of special or internal limitations, a policy must cover, after any deductibles or coinsurance provisions are met, the usual, customary and reasonable charges, as determined consistently by the carrier and as subject to prior written approval by the Director or another rate agreed to between the insurer and provider, for covered services up to the annual limit. ( )

**032. -- 039. (RESERVED)**

**040. REQUIRED DISCLOSURE PROVISIONS.**
Polices subject to this chapter must include in the application for coverage, any application materials, and the insurance contract, the following language in at least 14-point type:

"This coverage is not required to comply with certain federal market requirements for health insurance, principally those contained in the Affordable Care Act. Be sure to check your policy carefully to make sure you are aware of any exclusions or limitations regarding coverage of preexisting conditions or health benefits (such as hospitalization, emergency services, maternity care, preventive care, prescription drugs, and mental health and substance use disorder services). Your policy might also have lifetime and/or annual dollar limits on health benefits. If this coverage expires or you lose eligibility for this coverage, you might have to wait until an open enrollment period to get other health insurance coverage." ( )

**041. -- 999. (RESERVED)**