

State of Idaho
DEPARTMENT OF INSURANCE

C.L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone (208)334-4250
FAX # (208)334-4398

WILLIAM W. DEAL
Director

BULLETIN NO. 14-01

DATE: May 1, 2014

TO: Disability/Health Insurance Carriers in Group or Individual Markets

FROM: William W. Deal, Director

SUBJECT: Option to Extend Transitional Plans through October 1, 2016

This bulletin to carriers in the group and individual health insurance markets provides guidance regarding the option to extend the policies on non-grandfathered transitional plans through policy years beginning on or before October 1, 2016.

Bulletin No. 13-05 provided carriers with the option of continuing to offer non-grandfathered individual and small employer policies in existence on October 1, 2013, at their 2014 renewal. New federal guidance allows for the further extension of plans, at State and carrier option. The Idaho Department of Insurance will exercise that option and allow carriers the option to offer renewals to policies of non-grandfathered transitional plans that were in existence on or before December 31, 2013. The renewal must be effectuated by the current carrier with no changes to each policy's selected plan benefit options. New policies effective after December 31, 2013, may not be issued as non-grandfathered transitional plans.

As provided in the [March 5, 2014, CCIIO letter](#), the non-grandfathered transitional plans (also referred to as "grandmothered" plans) are not required to contain the ten essential health benefits (EHB) or to adopt the rating structure of the fully ACA compliant plans. However, the grandmothered plans must comply with the following ACA provisions upon renewal on or after January 1, 2014:

- Elimination of annual dollar limits on EHB as defined by the Idaho benchmark plan, to the extent the grandmothered plans cover EHB
- No pre-existing condition exclusion (small groups)
- Waiting periods not to exceed 90 days (small groups)
- Mental health parity rules (individual plans upon renewal July 1, 2014, or later; not applicable to small group plans)

Carriers may elect to extend through the policy year beginning on or before October 1, 2016, the policies on grandmothered plans for the individual market only, the small group market only, or for both the individual and small group markets. Carriers may also elect to renew through the policy year beginning on or before October 1, 2016, the policies of large employers which will be redefined as small employers and participate in the small

group health insurance market as of January 1, 2016, due to having 100 or fewer employees. A carrier may choose to extend the renewals for a shorter time period but not to policy years beginning after October 1, 2016.

Bulletin No. 13-05 established guidance that limited the renewal rating practices for grandmothered policies due to their temporary nature. Carriers exercising the options provided by this bulletin are not required to consider that guidance for grandmothered policy renewals after October 1, 2014, and therefore are permitted to utilize pre-ACA renewal rating practices, in compliance with Idaho Code.

Carriers who elect to offer renewals of these existing plans in 2014, 2015 and 2016 are required to provide, at each renewal, notice to any affected individuals and small employers. The notice informs the individual or small employer of the option to renew the existing coverage or to enroll in a new plan on or off Your Health Idaho, Idaho's exchange, and also includes the information concerning ACA market reforms that are not included in their extended plans. The notice must be used without modification and must be mailed without any other materials except for a cover letter, which may include the renewal premium. There are four versions of the notice posted on the Department website at the [Health Company Information](#) page; carriers should deliver the version that corresponds to the status of each grandmothered policy being offered for renewal in the small group or in the individual market, i.e. having received a discontinuation notice or not having received a discontinuation notice. Bracketed information within the notices is optional for carriers to include.

Consumers who wish to enroll in a new ACA compliant plan in the individual market rather than renew a grandmothered or a grandfathered plan are entitled to a special enrollment period, both on and off exchange, beginning 60 days prior to the date their current plan ends, and continuing 60 days after the plan's end date. This special enrollment period will be available at each renewal offered to policyholders of both grandmothered and grandfathered plans.

To enroll in an exchange plan through this special enrollment period, and to be considered for the advance premium tax credit and cost-sharing subsidies, consumers should contact Your Health Idaho. When enrolling through Your Health Idaho, consumers should indicate that they will be losing health coverage within 60 days or that they have lost health coverage within the past 60 days. A decision not to renew a grandmothered or grandfathered plan is not considered to be voluntarily ending coverage, per the healthcare.gov [guidance on renewals of non-calendar year plans](#).

The Department encourages carriers and their agents to proactively assist Idaho consumers to understand their different options and to make the decision that best suits their health insurance needs. If you have questions concerning this bulletin, please contact Kathy McGill or Wes Trexler at the Department of Insurance.