

*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  
Website: <http://www.doi.idaho.gov>

DEAN L. CAMERON  
Director

**BULLETIN NO. 16-03**

**DATE:** April 19, 2016

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

**FROM:** Dean L. Cameron, Director

**SUBJECT:** Extension of Transitional Plans through December 31, 2017

This bulletin to carriers in the employer and individual health insurance markets provides guidance regarding the extension of non-grandfathered transitional plans (also known as "grandmothered" plans) through December 31, 2017.

[Bulletin No. 13-05](#) addressed carriers continuing to offer grandmothered individual and small employer policies in existence on October 1, 2013 at their 2014 renewal. Subsequent federal guidance allowed for the further extension of these plans, and the Department chose to allow the extension through plan years beginning on or before October 1, 2016, per [Bulletin No. 14-01](#). On February 29, 2016, CMS released [guidance](#) allowing for grandmothered plans to be further extended through December 31, 2017.

Grandmothered plans in the individual and small group markets will be extended through December 31, 2017. The following conditions shall be implemented in order to protect the consumer:

For all renewals of grandmothered plans on or after August 1, 2016, the carrier shall renew each policy for a period through December 31, 2017, with no increase of premium after that renewal. This results in a level premium for 17 months on policies renewing August 1, 2016, or 16 months renewing September 1, 2016, and so on, to a policy period of less than 12 months for renewals between February 1 and July 1, 2017.

For grandmothered plans with deductibles and out of pocket maximums on a plan year, rather than on a calendar year, a carrier must not apply accumulation periods consisting of fewer than 12 months, even when the policy period is less than 12 months. Carriers may select either of the following options concerning accumulation periods for a policy with non-calendar year deductibles and out of pocket maximums:

1. One accumulation period beginning at the renewal month and extending through December 31, 2017. For example, a grandmothered plan renewed August 1, 2016 would have a 17 month accumulation period in which all claims would count towards the deductible and out of pocket maximum.

2. Two overlapping 12 month accumulation periods. For example, a grandfathered plan renewed July 1, 2016 would have a 12 month accumulation period of July 1, 2016 through June 30, 2017, and an overlapping 12 month accumulation period of January 1, 2017 through December 31, 2017. Claims incurred during the January through June overlapping period would be carried over and counted towards the deductible and out of pocket maximum for both accumulation periods.

The grandfathered plans must continue to comply with the following ACA provisions:

- Elimination of annual dollar limits on EHB as defined by the Idaho benchmark plan, to the extent the grandfathered 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 are required to provide a notice at renewal which 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, and also includes the information that some ACA market reforms are not included in their current plans. The notice, available on the Department [website](#), must be used without modification, and must be mailed without any other materials except for a cover letter, which may include the renewal premium.

If you have questions concerning this bulletin, please contact Kathy McGill or Wes Trexler at the Department of Insurance.