




Illinois Department of Insurance

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Director

TO: ALL LIFE, ACCIDENT & HEALTH COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, LIMITED HEALTH SERVICE ORGANIZATIONS, & VOLUNTARY HEALTH SERVICE PLANS

FROM: JENNIFER HAMMER, DIRECTOR OF INSURANCE 

DATE: March 10, 2017

RE: COMPANY BULLETIN CB# 2017-01
Renewals of Existing Transitional Health Plans For Plan Year 2018

This Company Bulletin allows extension of the transitional policy to policy years beginning on or before October 1, 2018, provided all policies end by December 31, 2018. This Bulletin is issued in follow up to the February 23, 2017 guidance issued by CMS titled "Extension of Transitional Policies through Calendar Year 2018."¹ Companies extending such transitional policies shall comply with the CMS guidance referred to above; however, in the event of any conflict between the CMS guidance and this Company Bulletin, the guidelines in this Bulletin should be considered the operative guidelines.

Please see Illinois Department of Insurance Company Bulletins 2016-03², 2015-06³ and 2013-19⁴ for additional background.

The following guidelines apply to renewals pursuant to this Bulletin:

1. Plans renewed continually since 1/1/2014 may renew such coverage for a policy year starting on or before October 1, 2018; however, any policies renewed under this transitional policy must not extend past December 31, 2018.
2. Under the further extension, DOI will join with federal Health and Human Services and will forego enforcement of the following ACA requirements and any DOI regulations based upon those requirements for the time period set out in this Bulletin:
 - a. Section 2701 - rating reforms (Insurers may rate as currently allowed under state law);
 - b. Section 2702 - guaranteed availability;
 - c. Section 2703 - renewability (HIPAA still applies);

¹ <http://www.cms.gov/CCHQ/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-CY2018.pdf>

² <http://insurance.illinois.gov/cb/2016/CB2016-03.pdf>

³ <http://insurance2.illinois.gov/cb/2015/CB2015-06.pdf>

⁴ <http://insurance2.illinois.gov/cb/2013/CB2013-09.pdf>

- d. Section 2704 - prohibition on pre-existing condition (individual only - HIPAA applies to small group);
 - e. Section 2705 - no discrimination based on health status (individual only - other rules apply to small group);
 - f. Section 2706 - anti-discrimination;
 - g. Section 2707 - EHB, Actuarial Value, and other listed provisions; and
 - h. Section 2709 - participation in clinical trials.
3. DOI will continue to enforce all other applicable ACA requirements.
 4. Nothing in the CMS letter or in this Bulletin requires an insurer to renew or continue a plan, and nothing allows an insurer to sell a new plan that does not comply with the ACA.

5. An insurer choosing to renew a non-compliant plan pursuant to the extended transitional policy must provide a relevant notice to all individuals and small businesses for each policy year. The notice must be substantially similar to the notice forms attached to CMS's February 23, 2017 letter, and any change to those notices must be submitted for approval to the Department. The CMS letter may be found at the following link:

<https://www.cms.gov/CCO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-CY2018.pdf>

6. An insurer choosing to renew non-compliant plans pursuant to the extended transitional policy must notify the Department of this decision on or before April 17, 2017.
7. An insurer renewing a transitional plan may adjust premiums for the transitional plan as permitted under Illinois law for renewals prior to 10/1/18. Rate filings will generally be subject to a full actuarial review. These filings should be submitted to DOI at least sixty (60) days prior to the date the company intends to implement the rates. During this transition period, the Department will use its best efforts to support companies by completing expedited actuarial reviews where limited changes to rates are requested.
8. In the event a policy is renewed under this transitional guidance, the company shall not impose any additional deductibles, copayments, out of pocket requirements, or premium increases beyond the initial renewal period starting on or before 10/1/18.

If you have any questions, please contact Paulette Dove at Paulette.Dove@illinois.gov or 217-785-5044.