

Bulletin 13-05

To: Health Insurance Issuers
From: Merle Scheiber, Director
Date: November 27, 2013
Re: Health Insurance Market Regulations

On November 14, 2013 The Department of Health & Human Services, Centers for Medicare and Medicaid Services, Center for Consumer Information and Insurance Oversight sent letters to each Insurance Commissioner stating that health insurance coverage in the individual and small group market that is renewed for a policy year starting between January 1, 2014, and October 1, 2014, and associated group health plans of small businesses will not be considered to be out of compliance with the market reforms specified below.

- Section 2701 – Rating Reforms
- Section 2702 – Guaranteed availability of coverage
- Section 2703 – Guaranteed renewability of coverage
- Section 2704 – Prohibition on pre-existing condition exclusions or other discrimination based health status (individual only – HIPAA applies to small group)
- Section 2705 – Relating to prohibition of discrimination against individual participants and beneficiaries based on health status
- Section 2706 – Relating to non-discrimination in health care
- Section 2707 – Relating to comprehensive health insurance coverage
- Section 2709 – Participation in clinical trials

The specific guidance referenced may be accessed at:

<http://www.cms.gov/CCIIO/Resources/Letters/Downloads/commissioner-letter-11-14-2013.PDF>.

Carriers may use already filed and approved rates. A carrier will be allowed to file an off-renewal increase to adjust for these policies accordingly. These rates will be subject to current South Dakota Rating Laws. The Division is requesting carriers provide a timeline and notification samples of how policyholders will obtain rate increases. Rate filings are limited to those plans that fall under the federal transition policy.

Carriers may make the election to follow the federal transitional policy on a market-wide basis, offering reenrollment to all impacted policyholders in a market. Carriers whom have not filed rates and forms to operate in 2014 will not be allowed to transition policies.

The Director encourages insurers to submit filings as quickly as possible in order to provide consumers with options as soon as possible. Filings following this bulletin and containing the information outlined above will be processed expeditiously.

For plans operating under the federal transitional policy, state regulatory issues will be handled in accordance with the federal transitional policy and in a manner which permits insurers to accomplish the goal of allowing policyholders to reenroll in their policy. If an insurer elects to NOT follow the transitional policy, the Division asks that the insurer submit that decision to the Division as soon as possible.