

[Bulletin 14-03](#)

To: Health Insurance Issuers
From: Merle Scheiber, Director
Date: May 2, 2014
Re: Health Insurance Market

In November 2013, the President announced an extension to allow individuals and small groups to keep their non-grandfathered plans for an additional year if the state allowed. South Dakota made the decision to allow our carriers to transition policies and extend policies for an additional year. On March 5, 2014, the Centers for Medicare and Medicaid Services (CMS) released additional guidance for the extension of transition plans. This extension would allow individuals and small groups who (1.) took the option to transition in November 2013 or (2.) had not yet become ACA compliant to renew their individual and small group non-grandfathered plans on or before October 1, 2016. Additionally, this would allow groups with 51-100 employees to extend and transition their current non-grandfathered plans within that timeframe.

The specific guidance referenced may be accessed at:

<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf>

Carriers may elect to follow the federal transitional policy on a market-wide basis, offering re-enrollment to all impacted non-grandfathered policyholders in the individual, small group, and 51-100 markets. Those wishing to take advantage of this option must submit a letter of intent by May 23, 2014 as an informational filing in SERFF. Those carriers not wishing to transition policies must also notify the Division through an informational filing in SERFF. Filings relative to this bulletin will be processed expeditiously.

Carriers may use already filed and approved rates and file increases 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 receive rate increases. Rate filings are limited to those plans that fall under the federal transition policy.