

## Bulletin 18-03

To: Health Insurance Issuers  
From: Larry Deiter, Director  
Date: April 24, 2018  
Re: Extension of Transition Policies

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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<sup>1</sup> stating health insurance coverage in the individual and small group market 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

On Thursday, February 23, 2017, the Centers for Medicare and Medicaid Services released a Bulletin<sup>2</sup> allowing for the extension of Transitional policies beginning on or before October 1, 2018, provided all transitional coverage ends by December 31, 2018.

On April 9, 2018, the Centers for Medicare and Medicaid Services released a Bulletin<sup>3</sup> allowing for the extension of Transitional policies beginning on or before October 1, 2019, provided all transitional coverage ends by December 31, 2019.

South Dakota will permit issuers that have renewed policies under the transitional policy continually since 2014 to renew such coverage for a policy year starting on or before October 1, 2019; however, any policies renewed under this transitional policy must not extend past December 31, 2019. South Dakota will apply this extension to the individual and small group market.

Issuers wishing to operate under this transition guidance must submit their intentions to the Division of Insurance as an Informational Filing through SERFF by **May 15, 2018**. With this filing, please provide the Division with the number of individuals impacted in their respective markets, along with the proposed transition plan. Issuers may mark this filing as confidential.

Issuers who plan to discontinue their transition policies under the previous issued guidance must submit this intention to the Division as an informational filing through SERFF by **May 15, 2018**. This filing shall also contain the number of individuals impacted in their respective markets.

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<sup>1</sup> The specific guidance referenced may be accessed at: <https://www.cms.gov/CCIIO/Resources/Letters/Downloads/commissioner-letter-11-14-2013.pdf>.

<sup>2</sup> The February 23, 2017 guidance may be referenced below at: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-CY2018.pdf>.

<sup>3</sup> The guidance may be referenced at: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-Through-CY2019.pdf>