

State of Idaho
DEPARTMENT OF INSURANCE

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GARY L. SMITH
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BULLETIN 04-4

DATE: December 28, 2004

TO: Idaho Individual Health Insurance Carriers

**FROM: Gary L. Smith, Director
Idaho Department of Insurance**

RE: Continuation of Individual Health Coverage for Medicare Eligibles

The purpose of this bulletin is to provide guidance to carriers offering individual health benefit plans, including group conversion plans, in Idaho. Under Idaho Code Section 41-5207, individual health benefit plans are guaranteed renewable at the option of the policyholder. It has come to the attention of the Department that some carriers have been nonrenewing individual health coverage based upon the insured becoming eligible for Medicare.

Federal Regulations adopted to implement the Health Insurance Portability and Accountability Act of 1996 (HIPAA) prohibit carriers from using Medicare eligibility as a basis for nonrenewal of individual health coverage. Specifically, Rule 148.122(b)(2) of Title 45 of the United States Code of Federal Regulations (45 CFR 148.122(b)(2)) provides as follows:

Medicare eligibility or entitlement is not a basis for nonrenewal or termination of an individual's health insurance coverage in the individual market.

All carriers offering individual health plans in Idaho should review their records to determine whether there have been any nonrenewals of individual health coverage based upon Medicare eligibility. Any persons that were nonrenewed based on Medicare eligibility must be notified that the nonrenewal was in error and informed of their right to continue coverage under their individual policy. As part of its examination and review procedures, the Department may require that carriers provide documentation that they have conducted an appropriate review of nonrenewals and are in compliance with the state and federal requirements as set forth in this bulletin.