

State of Idaho
DEPARTMENT OF INSURANCE

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BULLETIN NO. 13-01

DATE: March 29, 2013
TO: Disability/Health Insurance Carriers in Small Group or Individual Markets
FROM: William Deal, Director
SUBJECT: Discontinuation of Current Non-grandfathered Plans by 2014 due to ACA Requirements

This bulletin serves as notification to carriers in the small employer and individual health insurance markets regarding the expectations of the Idaho Department of Insurance (DOI) concerning the transition from currently offered non-grandfathered plans to Affordable Care Act compliant plans for enrollments and renewals after December 31, 2013. This bulletin establishes a market-wide approach to accommodate the transition to meet the new federal requirements, with the objective of increasing fairness to all carriers and the currently insured.

Due to the substantial changes entailed in bringing non-grandfathered plans into compliance with the ACA and federal regulations such as 45 CFR 147 and 45 CFR 156.80 (single risk pool), carriers shall discontinue offering all current non-grandfathered plans to new issuance after December 31, 2013, and to current insureds upon the first renewal after December 31, 2013. The discontinuation must be executed in compliance with § 41-4707(1)(g), Idaho Code, for small employer plans, or § 41-5207(1)(e), Idaho Code, for individual plans. The DOI will allow discontinuations of plans in use for less than 36 consecutive months or of more than 15% of the corresponding line of business, provided that the discontinuation complies with the requirements of this bulletin. Grandfathered plans shall not be discontinued without reasonable justification by the carrier and prior approval of the DOI.

The DOI anticipates that carriers will introduce new plans that are compliant with applicable state and federal requirements. If new plans are filed with the DOI for issue after December 31, 2013, carriers shall offer all such plans to insureds of current non-grandfathered plans as part of the required discontinuation notice.

All grandfathered plans in the individual market shall be a separate risk pool after December 31, 2013. All grandfathered plans in each small employer class of business shall be a separate risk pool after December 31, 2013.