Arkansas Insurance Department

Mike Beebe
Governor

Jay Bradford
Commissioner

September 30, 2014

BULLETIN NO. 13-2014

TO: **ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS (HMOs), FRATERNAL BENEFIT SOCIETIES, FARMERS' MUTUAL AID ASSOCIATIONS OR COMPANIES, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PRODUCER AND COMPANY TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES**

FROM: **ARKANSAS INSURANCE DEPARTMENT**

SUBJECT: **HEALTH PLAN RENEWAL AND DISCONTINUANCE NOTIFICATION LETTER REQUIREMENTS**

Recently, the Center for Consumer Information and Insurance Oversight (CCIIO) issued a bulletin to provide guidance on the form and manner of notices that are required to be provided when a health insurer discontinues or renews a product in accordance with 45 CFR §§ 146.152, 147.106, and 148.122. Within that bulletin, CCIIO indicated that the draft renewal or discontinuance notices included within the bulletin would be required for Plan Year 2015 unless the state chose to enforce different standards. Due to the uniqueness and associated complexities of Arkansas's insurance marketplace, the Arkansas Insurance Department (AID) has decided to implement the following standards:

1. TIMING: Issuers who have decided to discontinue plans must meet the requirements of Ark. Code Ann. § 23-79-119 which requires that the notification for discontinuance of plans occur ninety (90) days prior to the discontinuation of coverage. The notice may be delayed until after the new plan has received certification to the extent that such issuer has filed a plan for certification in the Federally Facilitated Marketplace (FFM) that will serve as substituted coverage for the discontinued plan. However, in no event should the notification be sent later than the day before the first day of open enrollment for the following plan year.

All plans that will renew coverage must send notice at least sixty (60) days prior to the date of the renewal of coverage. If an issuer is awaiting notice of certification in the FFM, the issuer may delay mailing the renewal notices until after certification has been achieved. As with discontinuations, all renewal letters must be sent no later than the day before the first day of open enrollment for the following plan year. If a hardship is presented related to notifying a grandfathered or a non-grandfathered extended plan, then the issuer may seek an extension from the Commissioner. The notices for all individual plans purchased both on and off of the Marketplace, but excluding the plans purchased through the Private Option, must be submitted in SERFF for review no later than October 15, 2014.

2. FORM: Issuers will be afforded flexibility in designing their own renewal and discontinuation notices. The notices for enrollees of individual and small group plans, not including Private Option eligible enrollees, must clearly explain the options for renewing or obtaining coverage both in and outside of the Marketplace. If the plan is being modified from a previous year or if the plan is being discontinued but the individual is being auto-enrolled into another plan, the letter must clearly explain the differences in benefits, networks, and premium costs between the two products. In addition to this, the letter must, at a minimum, contain the following information:

- A statement that clearly explains whether coverage is being discontinued or renewed;
- The monthly premium for the plan that the enrollee will be auto-renewed into for 2015;
- The most recent monthly amount of any 2014 Advanced Premium Tax Credit (APTC) paid for the individual or household premium in 2014 (if applicable);
- The difference between the monthly premium and the 2014 APTC paid that will be the projected amount to be paid in 2015;
- Contact information for the consumer to call with questions;
- Information that advises that other health coverage options are available for purchase and where the enrollee may go to evaluate those choices (including, www.healthcare.gov);
- The beginning and ending dates of open enrollment;
- For Qualified Health Plans (QHP), language that states, "It is strongly recommended that you contact the Marketplace to ensure your eligibility is up-to-date, even if you believe you have no changes to report as this will ensure that you will receive the right amount of financial assistance;" and
- For QHPs, all other requirements as described by 45 CFR 156.1255.

For those letters that will be sent to Private Option eligible enrollees, the notices must state the following:

> You are currently enrolled in the Health Care Independence Program. Your health insurance, [Plan name], is offered through [Issuer name]. Your health insurance will continue to be offered by [Issuer name] if you do not take any action.
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> Even though you will stay with [Issuer name]if you take no action, you will be put in, [New Health Plan name], because the Health Care Independence Program will not cover services not considered essential by the federal government. The differences between [Current Plan Name] that provided coverage in 2014 and [New Plan Name] that you will be covered under beginning January 1, 2015, are as follows:
>
> - [Differences in benefits]
> - [Differences in networks]
> - [Any other differences between the two plans]
>
> You can choose to switch insurance companies or plans during open enrollment, which is between November 15, 2014 and February 15, 2015. However, if you wish to make a change, you are encouraged to complete your changes before December 15, 2014, so that your new coverage under your chosen plan may start on January 1, 2015. You need to go to insureark.org to select a different insurance company or a different plan. You will be asked to fill out a questionnaire about your health status (Arkansas's medically frail questionnaire). This questionnaire will help determine whether you need services that are not available through health insurance companies. If you have developed special health care needs and are found to be medically frail, your coverage will change and you will receive coverage through Arkansas Medicaid. If you are not medically frail, you will move on to plan selection and you will be able to select a different insurance plan or a different insurance company.
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> If you have questions about your current [Issuer name] health insurance coverage, please call [Issuer phone number] or visit [Issuer website]. If you experience problems with the insureark.org website, please call 855-550-3974. If you have questions about the medically frail questionnaire or the services available from Medicaid, please call 888-987-1200 and select option 3.

Insurers having questions concerning the renewal notices should contact the Arkansas Health Connector Division at (501) 683-4170 or send an email to insurance.exchange@arkansas.gov.

JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

9/30/14
DATE