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Bulletin 411

Extension of Transitional Authorization to Renew Small Group and Individual Health Plans

The Superintendent has approved the renewal of non-grandfathered small group and individual health plans issued before January 1, 2014 (colloquially known as “grandmothered” plans), for terms extending no later than December 31, 2017, on the terms and conditions described in this Bulletin and in guidance issued by the federal Centers for Medicare & Medicaid Services (CMS) on February 29, 2016.

Carriers electing to participate in this transitional renewal process, in states where “permitted by applicable state authorities,” are authorized to renew their in-force policies and “are not considered to be out of compliance with” designated requirements of the Affordable Care Act that would otherwise have applied to those policies upon their 2014 anniversary date. CMS first offered this transitional relief in 2013 on a one-time basis to authorize renewals on or before October 1, 2014, and then extended it in 2014 to authorize continued renewals through October 1, 2016. The new CMS guidance extends the permitted renewal dates through October 1, 2017, with the condition that any policies renewed after January 1, 2017 must terminate no later than December 31, 2017.

The Superintendent sent notice in 2014 advising all carriers participating in the Maine individual and small group markets that Maine would permit the renewal of grandmothered policies through October 1, 2016, and outlining the terms and conditions that must be met.¹ Carriers that still have grandmothered policies in force may continue to renew them on the same basis, subject to the termination provisions announced by CMS that would synchronize these policies with calendar year coverage beginning in 2018.

- Small group carriers must notify the Bureau by April 15, 2016, whether or not they intend to renew grandmothered policies beyond October 1, 2016. The notice must include the number of affected policies, and whether the carrier requests discontinuance of any existing products before December 31, 2017. (There is only one carrier in

¹ In addition, Bulletin 401 authorized transitional renewals of large group coverage for employers with 51 to 100 employees. That Bulletin was superseded by the federal PACE Act, P.L. 114-60, leaving these employers in the large group market on an ongoing basis and rendering transitional relief unnecessary.



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Maine's individual market with grandmothered policies. The carrier's transitional plans for that book of business are currently under regulatory review in a pending proceeding and need not be addressed in this Bulletin.)

- Carriers must provide 90 days' notice of transitional renewal or product discontinuance or modification to all grandmothered policyholders and certificate holders, using the applicable form letter authorized by CMS for use in Maine.
- Carriers offering to extend coverage for any grandmothered small group policies must offer to extend coverage for their entire book of grandmothered small group business, unless the carrier requests and receives the Superintendent's approval to discontinue one or more grandmothered products.
- Grandmothered policies must be terminated or modified to be fully ACA-compliant by January 1, 2018. Policies written on a non-calendar-year basis may be renewed early on January 1, 2017 or may be written for a short policy term in 2017.

March 31, 2016



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