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Eric A. Cioppa
Superintendent

Bulletin 420
Extension of Transitional Authorization
to Renew Small Group Health Plans
(Supersedes Bulletin 411)

The Superintendent hereby approves the renewal of non-grandfathered small group plans issued before January 1, 2014 (colloquially known as “grandmothered” plans), for terms extending no later than December 31, 2018, on the terms and conditions described in this Bulletin and in guidance issued by the federal Centers for Medicare & Medicaid Services (CMS) on February 23, 2017. This extension of transitional authority applies only to the small group market because no grandmothered individual policies remain in force in Maine.

Carriers electing to participate in this transitional renewal process, in states where “permitted by applicable state authorities,” have been authorized by CMS 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 and 2016 to authorize continued renewals through October 1, 2017. The new CMS guidance extends the permitted renewal dates through October 1, 2018, with the condition that any policies renewed after January 1, 2017 must terminate no later than December 31, 2018.

Following the issuance of the 2016 CMS guidance, the Superintendent issued Bulletin 411 to advise carriers that Maine would permit the renewal of grandmothered policies through October 1, 2017, and outlining the terms and conditions that must be met. Carriers that still have grandmothered policies in force may continue to renew them on the same basis.

- Carriers must notify the Bureau by April 15, 2017, whether or not they intend to renew grandmothered policies beyond October 1, 2017. The notice must include the number of affected policies, and whether the carrier requests discontinuance of any existing products before December 31, 2018.
- 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.



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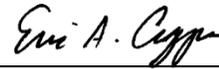
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- Carriers offering to extend coverage for any grandmothereed policies must offer to extend coverage for their entire book of grandmothereed business, unless the carrier requests and receives the Superintendent's approval to discontinue one or more grandmothereed products.
- Grandmothereed policies must be terminated or modified to be fully ACA-compliant by January 1, 2019. If a policy is written on a non-calendar-year basis and the policyholder and carrier wish to keep it in force throughout the entire transition period, the carrier may renew the policy early on January 1, 2018 or may renew it on its anniversary date in 2018 for a short policy term.¹

February 27, 2017



Eric A. Cioppa
Superintendent of Insurance

NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Bureau of Insurance if additional information is needed.

¹ The CMS guidance does not permit renewal for a period longer than one year.