



DEPARTMENT OF

Professional & Financial Regulation

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

Small Business Health Insurance Premium Support Program

Carrier Questions and Answers

Updated December 2022

1. Have the credit amounts been determined for employees and dependents?

Response: Yes, the credit amounts are \$50 per adult + \$30 for a plan that includes a child, based upon the following subscriber types:

Employee \$50

Two adults \$100

One adult + child \$80

Two adults + child \$130

(Note: Adult + child plans provide the same credit per plan, regardless of number of children. "Child" includes an adult dependent up to age 26.)

2. We would suggest that carriers submit for reimbursement of credits paid after the close of the month—that would enable carriers to submit for reimbursement based on the actual amounts paid, reducing the need for reconciliation. In addition, could the Bureau confirm whether carriers are to be reimbursed on a monthly or a quarterly basis? The program overview referenced quarterly reimbursement.

Response: BOI agrees with monthly reimbursements, and we intend to require monthly reporting by carriers and to provide monthly reimbursements to the carriers.

3. Please confirm that the credit applies only to medical plans (not dental or vision).

Response: This is correct. The program only applies to community-rated, ACA-compliant major medical small group plans. It does not apply to multiple-employer welfare arrangements (MEWAs) and to associations that have requested and received exemptions from participating in their carrier's statewide small group rating pool.

4. The program overview appears to contemplate two letters, one to the employer and one to the employee. Will carriers be expected to mail both directly (vs providing to the employer for distribution) and will carriers be drafting their own letters or will content be provided by the BOI?

Response: Carriers will be expected to send a communication to the employer explaining the program and that the credit is intended to be applied proportionally to the employee. BOI will provide language for the carriers to use in this communication.

5. How will the reimbursements to carriers for the premium credit operate?
Response: Carriers will submit a monthly invoice to the BOI. Carriers must use a Maine state vendor number for reimbursement. BOI reviews the invoice, and the approved amounts will be submitted to state purchasing for payment.
6. How will reimbursement to carriers for the administrative costs of implementing the program operate?
Response: This reimbursement will be done pursuant to a contract between the Bureau and each carrier.
7. Do we need to provide a 60-day notice requirement for premium changes? Will this delay the start of the program?
Response: The 60-day notice requirement in 24-A M.R.S. 2839-A does not apply in this circumstance and will not delay the start of the program. This is a credit, not a rate increase.

2839-A. Notice of rate increase

1. Notice of rate increase on existing policies. An insurer offering group health insurance, except for accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit group health insurance, must provide written notice by mail or electronically of a rate increase to all affected policyholders or others who are directly billed for group coverage at least 60 days before the effective date of any increase in premium rates. An increase in premium rates may not be implemented until 60 days after the notice is provided. For small group health plan rates subject to [section 2808-B, subsection 2-B](#), if the increase is pending approval at the time of notice, the disclosure must state that the increase is subject to regulatory approval.

8. Can we require that the binder payment be the full amount of the premium, without reflecting any credit, and then provide the credit the following month? There is a concern that our systems may not effectuate the coverage and trigger a delinquency notice if the full premium is not paid in the binder payment. Again, the group will subsequently receive the credit for that initial month but it will be after the fact, rather than up front.
Response: Yes, minor modifications, such as a one-month delay to begin providing the premium credit, are allowable. In this example, it would be expected that the full credit (2 months of credit) would be provided in month two.
9. Does the premium credit apply to level funded plans?
Response: No, the program only applies to fully insured plans.
10. Are carriers allowed to prorate the credit amounts for employees who are added mid-month?
Response: No, the full premium credit must be provided for each month of enrollment.

11. Request that we reconsider allowing the carrier to keep the credit upon termination for failure to pay premiums.

Response: We have considered this issue again, and we agree that it would be acceptable for the carrier to keep the credit where coverage is terminated for failure to pay the premium by the end of the 30-day grace period.

12. Will the credit apply to former employees with COBRA coverage or State Continuation coverage (Maine's mini-COBRA law)?

Response: No, the credit will not apply to former employees who are on COBRA coverage. In addition, employees who lose their employer-sponsored coverage qualify for an SEP, and the extended APTC, which is scheduled to remain in place through December 2025. This will provide additional relief for those former employees who in the past may have had incomes that were too high to receive subsidized coverage.

13. Have you finalized the data elements that we will need to report as part of the monthly reporting requirement?

Response: The following data points will be required for the monthly reporting.

Monthly Data For each subscriber

- Subscriber type (employee only, employee + spouse, etc.),
- Subscriber number
- Number of covered lives per subscriber
- Policy number
- Product/plan name
- Coverage period
- Billed premium
- Invoice date
- Premium credits (including any corrections for prior months due to timing of reporting of employee or dependent adds/drops)

Monthly Totals

- Total number of small groups
- Total number of each subscriber type
- Total number of covered lives

14. Will the Bureau be providing an excel spreadsheet for reporting the required data elements, or should carriers develop their own?

Response: We expect the carriers to develop their own Excel spreadsheet with the required reporting elements. Please feel free to contact the Bureau for any questions about the reporting format.

15. Has the Bureau received confirmation regarding how these credits will be treated for tax purposes at the state and federal levels?

Response: The Bureau of Insurance cannot provide tax advice. It appears likely that there will be an indirect tax consequence. The credit will reduce the employer's health insurance deduction, thereby increasing income subject to taxation. The employee will also see a reduction in pre-tax withholdings for premium payment and a corresponding increase in income subject to taxation. Employers and employees should consult their tax advisor for further guidance.

Questions about Communications to Employers

16. Are we allowed to make changes to the notice to employer letter provided by the BOI in order to put it in our "brand voice" or are we required to use the letter as it was provided?

Response: Minor modifications to the employer letter are allowable so long as the Bureau-provided language about the program, including the terms of the program, the requirement that the premium credit must be shared with the employee, the employee notification, and the posting of notices are included in the letter.

17. Can the Bureau confirm that carriers can provide the required notice to existing customers once at the beginning of the program?

Response: The notice must be provided at the beginning of the program. To avoid confusion and emphasize the requirement that the premium credit be divided with the employee, this or a similar notice should be provided with every monthly invoice.

18. Can the letter be provided to the employer electronically by email?

Response: The letter can be provided to the employer by email if that is how the invoice is usually delivered. If the invoice is usually delivered through a paper invoice, the notice should also be provided on paper. The carrier may also provide both types of notices if it wishes.

Please see [Rule 857](#) for additional program requirements.