



State of Utah

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Insurance Department

TODD E. KISER
Insurance Commissioner

Bulletin 2016-2(a)

To: Health Insurers Offering Transitional Health Benefit Plans
From: Todd E. Kiser, Utah Insurance Commissioner
Date: June 9, 2016
Subject: Extension of Transitional PPACA Plans

This Bulletin supersedes Bulletins 2016-2, 2015-5 and further extends Utah's position regarding Market Transition provided in Bulletin 2013-4(a).

Pursuant to Utah Code Annotated § 31A-30-117, an individual or small employer health insurer may continue non-grandfathered health benefit plan transitional coverage as permitted by guidance issued by the U.S. Department of Health and Human Services' Center for Consumer Information and Insurance Oversight (CCIIO). On February 29, 2016, CCIIO issued the Extension of Transitional Policy through Calendar Year 2017 Insurance Standards Bulletin. The bulletin permits a health insurer, which has renewed policies under the transitional policy continually since 2014, to continue to renew such policies provided the transitional coverage does not extend past December 31, 2017.

An insurer may early renew coverage or issue coverage for a period other than 12 months if the transitional policy terminates prior to January 1, 2018. For any transitional policy renewed prior to January 1, 2017, the policy may be renewed for a period through December 31, 2017, with no increase of premium after such renewal.

For transitional plans with deductibles and out of pocket maximums on an accumulation period other than a calendar year, an insurer may not apply accumulation periods consisting of fewer than 12 months, even though the policy period may be less than 12 months. Insurers may select either of the following options concerning accumulation periods for a policy with a non-calendar year deductibles and out of pocket maximums:

1. One accumulation period beginning at the renewal month and extending through December 31, 2017. For example, a transitional plan renewed October 1, 2016 would have a 15 month accumulation period in which all claims would count towards the deductible and out of pocket maximum.
2. Two overlapping 12 month accumulation periods. For example, a transitional plan renewed October 1, 2016 would have a 12 month accumulation period of October 1, 2016 through September 30, 2017, and an overlapping 12 month accumulation period of January 1, 2017

through December 31, 2017. Claims incurred during the January through September period would be carried over and counted towards the deductible and out of pocket maximum for both accumulation periods.

If you have any questions or comments, please call the Health and Life Division at 801-538-3077 or email us at health.uid@utah.gov.

DATED this 9th day of June 2016.



Todd E. Kiser
Insurance Commissioner