

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

August 23, 2016

BULLETIN NO. 11-2016

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) updated its standards for the form and manner of notices 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. These standards may be found at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Draft-Updated-Federal-Standard-Renewal-and-Product-Discontinuation-Notices-042116.pdf>. CCIIO stated that the draft renewal or discontinuance notices included within the standards would be required for all future plan years beginning in Plan Year 2017 unless the state chose to enforce different standards. CCIIO's timelines remain in effect, however, due to the uniqueness and associated complexities of Arkansas's insurance marketplace, the Arkansas Insurance Department (AID) is implementing the following form standards:

FORM: Issuers will be afforded flexibility in designing their own renewal and discontinuation notices. The notices for all individual plans purchased both on and off of the Marketplace must be submitted in SERFF for review no later than one month prior to the first day of open enrollment each year. The notices for enrollees of individual and small group plans, not including Arkansas Works 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;
- If discontinued, a statement advising the enrollee how he will be automatically reenrolled into a similar metal level QHP if another selection is not made;
- The monthly premium for the plan into which the enrollee will be auto-renewed;
- The most recent monthly amount of any Advanced Premium Tax Credit (APTC) paid for the individual or household premium (if applicable);
- The difference between the monthly premium and the current year APTC paid that will be the projected amount to be paid in the coming year;
- 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 for individual enrollment and www.myarinsurance.com for SHOP enrollment);
- 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 Arkansas Works eligible enrollees, the notices must, at a minimum, state the following:

You are currently enrolled in the Health Care Independence Program. As of January 1, 2017, this program will be called Arkansas Works. Your health insurance, [Plan name], is offered through [Issuer name]. Your health insurance [will] [will not] continue to be offered by [Issuer name] at the beginning of the [year] Plan Year. [If you do not take any action, you will [stay with [Issuer name] in [year] Plan Year] [be assigned to a new plan by the Arkansas Department of Human Services on [date].].

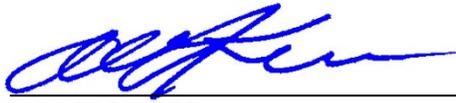
[Even though you will stay with [Issuer name] if you take no action, your plan will implement the following changes beginning January 1, [year]:

- [Differences in benefits]
- [Differences in networks]
- [Any other differences between the two plans]

You may choose to switch insurance companies or plans during open enrollment, which is between November 1, [year] and January 31, [year]. However, if you wish to make a change, you are encouraged to complete your changes before December 15, [year], so that your new coverage under your chosen plan may start on January 1 [year].

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 services available from Medicaid, please call 888-987-1200 and select option 3.

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



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

April 23, 2016

DATE