

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

**MARCH 6, 2014**

**BULLETIN NO.: 6-2014**

**TO: ALL ACCIDENT & HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, TRADE ORGANIZATIONS AND OTHER INTERESTED PARTIES**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

**SUBJECT: IMPLEMENTATION OF TITLE I, SUBTITLE C AND D OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, PUBLIC LAW NO. 111-148, AS AMENDED BY THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010, PUBLIC LAW NO. 111-152 ("PPACA") TRANSITION FOR INSURANCE IN THE NON-GRANDFATHERED INDIVIDUAL AND SMALL GROUP MARKETS**

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This Bulletin supersedes and replaces Arkansas Insurance Department ("Department") Bulletin No. 7-2013.

On January 1, 2014, provisions set out in Title I, Subtitles C and D of the Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law No. 111-152 ("PPACA") became effective. These provisions require all non-grandfathered insurance policies health plans, those issued after March 23, 2010, to provide essential health benefits (PHSA §2707(a); PPACA §1302(a)), to limit cost sharing (PHSA §2707(b); PPACA §1302(c)), to have premiums at near community rate levels (PHSA §2701), to be guaranteed available (PHSA §2702), to be guaranteed renewable (PHSA §2703), and to be issued without consideration of pre-existing conditions or medical underwriting (PHSA §§2704 and 2705) (hereafter, "PPACA compliance").

On March 13, 2013, the Arkansas Insurance Department ("Department") issued Bulletin No. 7-2013, which set out guidance for carriers in connection with the transition of non-grandfathered individually underwritten policies to PPACA compliance. By virtue of this Bulletin No. 7-2013, issuers of non-grandfathered individually underwritten policies had the option of extending coverage until December 30, 2014. However, Bulletin No. 7-2013 did not address extensions of coverage for insurance policies issued in the small group market.

Several months after the Department issued Bulletin No. 7-2013, on November 14, 2013, the Center for Consumer Information & Insurance Oversight ("CCIIO") issued a bulletin to State Insurance

Commissioners outlining a transitional policy for non-grandfathered coverage in the small group and individual health insurance markets. Under this transition policy, non-grandfathered health insurance coverage in the small group and individual market that is renewed for a policy year starting between January 1, 2014 and October 1, 2014, will not be out of compliance with certain PPACA market reforms.

On March 5, 2014, CCIIO issued a bulletin, "Insurance Standards Bulletin Series – Extension of Transitional Policy through October 1, 2016." The bulletin provides that States may choose to adopt both the November 14, 2013 transitional policy as well as the extended transitional policy through October 1, 2016, or adopt one but not the other, in the following manner:

- For both the individual and the small group markets;
- For the individual market only; or
- For the small group market only.
- A State may also choose to adopt the transitional relief policy only for large businesses that currently purchase insurance in the large group market but that, for policy years beginning on or after January 1, 2016, will be redefined as small businesses purchasing insurance in the small group market.

The purpose of this bulletin is to synchronize the Department's transition policy for non-grandfathered individual and small group policies with CCIIO guidelines and time periods.

The Department adopts the extended transitional policy through October 1, 2016 for those lines described in CCIIO's March 5, 2014 bulletin, which are non-grandfathered individual and small group policies. Please consult and abide by the requirements or conditions of CCIIO, including consumer notice language, for these transition requirements to PPACA compliance for the extended transitional policy through October 1, 2016. In addition, the Department adopts the transitional relief policy for large businesses that currently purchase insurance in the large group market for policy years beginning on or after January 1, 2016 which will be redefined as small businesses purchasing insurance in the small group market.

The Department is aware that in the small group market, some small groups may have already enrolled in PPACA compliance plans and rates. Unless inconsistent or prohibited by federal guidelines or rules, the Department suggests that insurers credit or adjust rates for those groups which have already renewed under PPACA compliance rates, and permit re-enrollment of the group in the earlier plan, if the group desired or desires to renew under the earlier non-grandfathered plan.

If you have questions related to this Bulletin, please contact the Legal Division at 501-371-2820 or e-mail [insurance.legal@arkansas.gov](mailto:insurance.legal@arkansas.gov).



JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

3-6-2014

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