



April 11, 2014

TO: Issuers that Offered Early Renewals of 2013 Non-grandfathered Individual and Small Group Health Benefit Plans

RE: Updated Guidance for Transitional Health Benefit Plans Permitted by 2014, Senate Bill (SB) 1582

The 2014 Oregon Legislature enacted Senate Bill 1582, which allows insurers (“carriers”) the option to continue all in-force 2013 transitional health benefit plans through December 31, 2015.

Transitional health benefit plans do not comply with the January 1, 2014 market reforms, but do comply with the requirements in effect on December 31, 2013 and will be renewed in 2014 for coverage that continues into 2015. The bill amends Oregon law to make it possible for transitional plans to renew beyond 2014 pursuant to federal guidance and to give Oregonians more health insurance options. Without this change, carriers could not renew transitional plans beyond their termination date in 2014.

This memo sets forth regulatory requirements and guidance for transitional plans. The term “grandmothered” is used occasionally and refers to individual and small group non-grandfathered plans that do not meet the 2014 affordable care act (ACA) requirements. In Oregon, these plans were afforded an “early” renewal on or before 12/31/2013.

| TOPIC | DATE | QUESTION | ANSWER |
|-------|------|--|--|
| Rates | 4/11 | <i>If a carrier chooses to offer transitional plans to provide coverage through 2015, can the carrier file for rate changes on these 2013 plans?</i> | Yes. Rate filings are due 5/31/2014. No exceptions will be granted. For small group filings, a carrier can request an effective date for their transitional plan rates as early as October 1, 2014. Rates are effective for 12 months for each group. For individual and small group transitional plans; if no special effective date is requested, rate changes are effective and allowed at plan renewal on 12/31/2014. |
| Rates | 4/11 | <i>If a carrier has grandfathered and grandmothered plans how should the rates be pooled and filed?</i> | Grandfathered and transitional plans must be pooled together, consistent with pricing in 2013. Oregon law requires all plans in the pool to have the same effective date. Therefore, individual grandfathered plans effective dates will match the transitional plans with an effective date no later than 12/31/2014. Grandfathered and transitional plans must be filed separately in SERFF (transitional plans are still non-grandfathered plans). |

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| | | | <p>OID issued an emergency rule, OAR 836-053-XXX requiring transitional plans be pooled with grandfathered plans. The emergency rule will be posted on our website at; http://www.oregon.gov/DCBS/insurance/legal/laws/Pages/laws-rules.aspx</p> |
| Rates | 3/12 | <i>If a carrier chooses to offer transitional plans, can the carrier file for rate changes on 2014 ACA-compliant plans in the individual market?</i> | No. Rates for ACA compliant plans offered for sale in 2014 are final and cannot be changed until the 2015 plan year. |
| Rates | 3/12 | <i>If a carrier chooses to offer transitional plans, can the carrier file for rate changes on 2014 ACA-compliant plans in the small group market?</i> | No. The last opportunity to file small group rate changes for effective dates in 2014 has passed. |
| Policyholder notice | 3/12 | <i>Are carriers required to send notices that comply with HHS/CMS guidance?</i> | <p>Yes. Carriers should follow federal guidance. See the federal guidance at this link: http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf Notices should be submitted to OID 45-60 days before the mailing date. We are not allowing changes to the CMS model. These filings will be considered an informational filing.</p> |
| Dis-continuation | 3/12 | <i>Can transitional plans be discontinued?</i> | Yes. The plans may be discontinued by the carrier at the end of the calendar year and in accordance with requirements for discontinuation. The affected policyholders may be mapped by the carrier or personally select an ACA compliant plan, which will result in joining the ACA-compliant “single risk pool.” |
| Grandfathered plans | 3/12 | <i>If a carrier either has no transitional plans or does not plan to make a rate filing for a transitional plan, how does that affect grandfathered plan rate filings?</i> | If a carrier only files grandfathered plans, there is no applicable rate filing deadline. |
| Rate filing product standards | 3/12 | <i>What product standards should be used to file rates for a transitional plan?</i> | The 2015 rate filing product standards should be used. If a particular rating requirement is not applicable to the transitional plans or grandfathered plans, please identify it in the rate filing. |
| Offer | 4/11 | <i>Which individual and small group policyholders can be given the option for a transitional plan?</i> | <p>Carriers that offered 2013 renewals through 03/31/2014 now have the option to extend those policies through 12/31/2014 and may then choose to offer transitional plans in compliance with SB 1582.</p> <p>In the small group and individual market, a carrier may offer a transitional plan to policyholders of 2013 plans that renew in 2014.</p> <p>Policyholders that have already moved to an</p> |

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| | | | ACA compliant plan are not eligible for a transitional plan. |
| Offer | 4/11 | <i>Can a carrier choose to offer transitional plans to some policyholders, but not others?</i> | No. If offering transitional plans, carriers must offer such plans to all eligible policyholders in a given market (i.e., individual or small group). Carriers are not required to make the same decision for both the individual and small group market. |
| Offer | 4/11 | <i>Can an association plan continue as an association through 2015?</i> | Yes. These are individual or small group policies and may be renewed under the transitional policy. Associations can limit access to association members as allowed under state law. |
| Benefits | 4/11 | <i>Do transitional plans meet the definition of “minimum essential coverage” under the individual mandate?</i> | Yes. These are plans sold in the individual or small group market and therefore, meet the definition of “minimum essential coverage.” |
| Benefits | 4/11 | <i>Does Mental Health Parity apply to these transitional plans?</i> | Individual plans will be required to comply with the Mental Health Parity requirements upon renewal on or after July 1, 2014. Small Group plans are NOT required to comply with the Mental Health Parity requirements effective July 1, 2014. These requirements are tied to Essential Health Benefits and transitional plans are not subject to EHB. |
| Benefit | 3/19 | <i>What are the ACA provisions that apply to transitional plans?</i> | <ul style="list-style-type: none"> • Prohibition on Annual Limits (Sec. 2711); • Mental Health Parity (Sec. 2726); • 90-Day Waiting Period (Small Group) (Sec. 2708); • Pre-existing Conditions for Adults (Small Group) (Sec. 2704) |
| Filings | 4/11 | <i>Do transitional plans have to be filed in a binder filing?</i> | No. These plans cannot be filed in a binder filing. |
| Notices | 4/11 | <i>May carriers include other materials with the CMS model notice?</i> | No. The notice must be sent separately. |
| Rates | 4/11 | <i>May a carrier charge ACA fees on transitional plans?</i> | Not for transitional plans that are issued using previously filed and approved rates. ACA fees as well as other fees and taxes may be included in the 2015 transitional plan rate filing due 5/31. |
| Rates | 4/11 | <i>For small groups, can trend be added to the filed/approved rates?</i> | No. Trend factors were not approved for use in 2014 for transitional plans. |
| Benefit | 4/11 | <i>Which of the 2014 state legislation that require reimbursement apply to transitional plans?</i> | ORS 743A.082 Diabetes management for pregnant women. HB 4110 Inmate (preadjudicated) coverage |

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| | | | <p>HB 4013 Prescription drug step therapy SB 1579 Prescription drug synchronization Plan HB 4104 Workers Compensation Claims</p> <p>We have attached a comprehensive list with additional detail to this document. Please note, the items applicable to transitional plans are highlighted in green.</p> |
| Policyholder notice | 4/11 | <i>Are carriers required to send a 30 day renewal notice (business as usual) as well as the CMS notice?</i> | Yes. The CMS notice is not a renewal notice. Renewal notices are still required providing policyholders the options available and premium information. |

Additional questions can be addressed to Rhonda Saunders-Ricks by e-mail Rhonda.i.saunders-ricks@state.or.us.

TRANSITIONAL PLAN COVERAGE LIST

| Required Reimbursements | Description | Statute | Eff. Date | Repeal Date | GF | Trans. | Group | Indiv. |
|--|--|---------------------------|-----------|-------------|-----|--|-------|--------|
| Alcoholism treatment | Coverage for alcoholism treatment, at the request of the insured. | ORS 743A.160, ORS 743.402 | 1978 | No | Yes | Yes | No | Yes |
| Breast examinations | Every health insurance policy that covers hospital, medical, or surgical expenses shall cover breast exams. | ORS 743A.108 | 2006 | No | Yes | Yes | Yes | Yes |
| Treatment of chemical dependency and mental or nervous conditions | Group health insurance coverage for treatment of chemical dependency and mental or nervous conditions at the same level as those imposed for treatment of other medical conditions. | ORS 743A.168 | 2007 | No | Yes | Yes | Yes | No |
| Clinical trials | Health benefit plans must cover the routine costs of care for patients enrolled and participating in approved clinical trials. | ORS 743A.192 | 2010 | No | Yes | Yes | Yes | Yes |
| Bilateral cochlear implants | Any health insurance plan that covers cochlear implants must cover bilateral implants. | ORS 743A.140 | 2008 | No | Yes | Yes | Yes | Yes |
| Contraceptives | Health benefit plans, student health, and prescription drug benefit programs that cover outpatient prescription drugs must cover contraceptives. There is a religious employer exemption provision. | ORS 743A.066 | 2008 | No | Yes | Yes | Yes | Yes |
| Craniofacial anomalies | All health benefit plans providing coverage of hospital, surgical, or dental services shall provide coverage for dental and orthodontic services for the treatment of craniofacial anomalies if the services are medically necessary to restore function. | ORS 743A.150 | 2012 | No | Yes | Yes | Yes | Yes |
| Diabetes management for pregnant women | Health benefit plans may not require a copayment or impose a coinsurance requirement or a deductible on the covered health services, medications, and supplies that are medically necessary for a woman to manage her diabetes during the period of each pregnancy, beginning with conception and ending six weeks postpartum. | ORS 743A.082 | 2014 | Yes 2020 | Yes | Yes, (SB 1562 Amend. operative 01/01/15) | Yes | Yes |
| Diethylstilbestrol use by mother | Insurers may not deny issuance of or cancel a health insurance policy solely because the mother of the insured used drugs with diethylstilbestrol before the insured's birth. | ORS 743A.088 | 1980 | No | Yes | Yes | Yes | Yes |
| Emergency eye care services | Any health benefit plan that provides coverage of eye care services shall allow any enrollee to receive covered eye care services on an emergency basis without first receiving a referral or prior authorization from a primary care provider. | ORS 743A.250 | 2000 | No | Yes | Yes | Yes | Yes |
| Emergency services | All health benefit plans shall provide coverage without prior authorization for emergency services. | ORS 743A.012 | 1998 | No | Yes | Yes | Yes | Yes |
| Prescription eye drops early refills | Health benefit plans that provide coverage of prescription eye drops shall provide coverage for one early refill of a prescription for eye drops to treat glaucoma. | ORS 743A.065 | 2012 | Yes 2018 | Yes | Yes | Yes | Yes |
| Hearing aids for children and dependents | Health benefit plans must provide coverage for one hearing aid per impaired ear to enrollees under the age of 18 or enrollees ages 19 to 25 and enrolled in an accredited education institution. | ORS 743A.141 | 2010 | No | Yes | Yes | Yes | Yes |
| Human papillomavirus | Health benefit plans must provide coverage of the human | ORS 743A.105 | 2010 | No | Yes | Yes | Yes | Yes |

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| vaccine (HPV) | papillomavirus vaccine for female beneficiaries of the plan between the ages of 11 and 26. | | | | | | | |
| Inmate (Preadjudicated) Coverage | Prohibits denial of claims for services provided on or after January 1, 2015 because a person is in local custody pending determination of guilt or innocence. | HB 4110 | 2015 | No | Yes | Yes | Yes | Yes |
| Nonprescription elemental enteral formula for the treatment of severe intestinal malabsorption | Any policy providing health insurance, except accident only or specific disease only polices, must provide coverage if the formula is needed to treat severe intestinal malabsorption, a physician has issued a written order for the use of the formula, and the formula is at least an essential source of nutrition. | ORS 743A.070 | 1994 | No | Yes | Yes | Yes | Yes |
| Mammogram | Every health insurance policy that covers hospital, medical, or surgical expenses shall provide coverage of mammograms. | ORS 743A.100 | 1994 | No | Yes | Yes | Yes | Yes |
| Mastectomy-related services | All health benefit plans shall provide reimbursement for mastectomy-related services as determined by the attending physician. | ORS 743A.110 | 2004 | No | Yes | Yes | Yes | Yes |
| Maxillofacial prosthetic services | All health insurance policies providing hospital, medical, or surgical expense benefits must include coverage for maxillofacial prosthetic services considered necessary. | ORS 743A.148 | 1982 | No | Yes | Yes | Yes | Yes |
| Inborn errors of metabolism | All health insurance policies shall include coverage for treatment of inborn errors of metabolism. | ORS 743A.188 | 1998 | No | Yes | Yes | Yes | Yes |
| Natural and adopted children | All individual and group health benefit plans shall provide coverage to the child of the insured at the moment of birth and to the adopted child upon placement for adoption. | ORS 743A.090 | 1976 | No | Yes | Yes | Yes | Yes |
| Oral anticancer medications | A health benefit plan that covers cancer chemotherapy must provide coverage for oral anticancer medication on a basis no less favorable than intravenous or injected medications. | ORS 743A.068 | 2008 | No | Yes | Yes | Yes | Yes |
| Pelvic and Pap smear examinations | All policies providing health insurance shall include coverage for pelvic and Pap smear examinations. | ORS 743A.104 | 1994 | No | Yes | Yes | Yes | Yes |
| Children with pervasive developmental disorder | A health benefit plan must cover medically necessary services for children under age 18 who has been diagnosed with pervasive developmental disorder, including rehabilitation services. | ORS 743A.190 | 2008 | No | Yes | Yes | Yes | Yes |
| Pregnancy and childbirth | All health benefit plans must provide payment or reimbursement for expenses associated with pregnancy care and childbirth. | ORS 743A.080 | 2000 | No | Yes | Yes | Yes | Yes |
| Prescription drugs | No health insurance policy providing coverage for a prescription drug shall exclude coverage because the drug is not FDA approved for a prescribed medical condition if the Oregon Health Resources Committee determines the use is effective. | ORS 743A.062, ORS 743A.060 | 1998 | No | Yes | Yes | Yes | Yes |
| Prescription Drug Step Therapy | Requires health benefit plans to provide provider with an explanation of its prescription drug step therapy protocols and the mechanism for seeking override of the protocol | HB 4013 | 2014 | No | Yes, compliance by 01/01/15 | Yes, compliance by 01/01/15 | Yes, compliance by 01/01/15 | Yes, compliance by 01/01/15 |
| Prescription Drug Synchronization Plan | Requires health benefit plans to provide a means for insureds to synchronize prescriptions | SB 1579 | 2015 | No | Yes, plans issued or | Potentially. Plans | Yes, issued or | Yes, plans |

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|---|---|--------------|-----------|-------------|---|---|---|---|
| | | | | | renewed on or after 01/01/15 | issued or renewed on or after 01/01/15 | renewed on or after 01/01/15 | issued or renewed on or after 01/01/15 |
| Telemedical services | Health benefit plans must provide coverage for services provided via two-way video communication if they would have been covered if provided in person, the services are medically necessary, and the services do not duplicate or supplant available in-person services. | ORS 743A.058 | 2010 | Yes 2016 | Yes | Yes | Yes | Yes |
| Telemedical services for diabetes treatment | A health benefit plan must provide coverage of a telemedical health service provided in connection with the treatment of diabetes if the plan provides coverage in person and is medically necessary. | ORS 743A.185 | 2012 | Yes 2018 | Yes | Yes | Yes | Yes |
| Tobacco use cessation programs | Health benefit plans must cover at least \$500 for tobacco use cessation programs for enrollees aged 15 years or older. | ORS 743A.170 | 2010 | No | Yes | Yes | Yes | Yes |
| Traumatic brain injury | Health benefit plans must cover medically necessary therapy and services for the treatment of traumatic brain injury. | ORS 743A.175 | 2010 | No | Yes | Yes | Yes | Yes |
| Unmarried women and their children | All health insurers will provide unmarried women the same payment for maternity costs as married women and shall provide the same coverage for the child of an unmarried woman that it provides a married person's child. | ORS 743A.084 | 1974 | No | Yes | Yes | Yes | Yes |
| Workers' Compensation Claims | Requires health benefit plans to provide coverage for claims for covered services denied or not yet adjudicated by the workers' compensation carrier | HB 4104 | 2015 | No | Yes, plans issued or renewed on or after 01/01/15 | Potentially. Plans issued or renewed on or after 01/01/15 | Yes, plans issued or renewed on or after 01/01/15 | Yes, plans issued or renewed on or after 01/01/15 |
| Provider Reimbursements | | | | | | | | |
| Acupuncturist | An individual or group health insurance policy that covers acupuncture services performed by a physician shall cover acupuncture performed by an acupuncturist. | ORS 743A.020 | 2008 | No | Yes | Yes | Yes | Yes |
| Ambulance care and transport payments | Any insurance policy that provides coverage for ambulance care and transportation, the insurer shall indemnify directly the provider of the ambulance care and transportation. (HB 2969 amendments apply to claims made on or after January 1, 2014) | ORS 743A.014 | 1988 | No | Yes | No | Yes | Yes |
| Clinical social worker | Any individual, group, or blanket health insurance policy shall provide for clinical social worker services. | ORS 743A.024 | 1979 | No | Yes | No | Yes | Yes |

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|--|--|---------------------------|-----------|-------------|-----|--------|-------|--------|
| Expanded practice dental hygienist | Any policy covering dental health that provides for a dentist, must also provide coverage for an expanded practice dental hygienist. | ORS 734A.034 | 2012 | No | Yes | Yes | Yes | Yes |
| Dentist | Coverage provides reimbursement for any surgical service that is within the lawful scope of practice of a licensed dentist, if policy provides benefits when a physician performs the service. | ORS 743A.032 | 1972 | No | Yes | No | Yes | Yes |
| Denturist | Notwithstanding any provisions of any insurance policy covering dental health, whenever such policy provides for reimbursement for any service that is within the lawful scope of practice of a denturist, shall be entitled to reimbursement for such service whether the service is performed by a licensed dentist or a licensed denturist. | ORS 743A.028 | 1980 | No | Yes | No | Yes | Yes |
| Licensed professional counselors and licensed marriage and family therapists | Health benefit plans that provide coverage for the services of nurse practitioners or clinical social workers must also provide coverage for the services of licensed professional counselors or licensed marriage and family therapists. | ORS 743A.052 | 2010 | No | No | No | Yes | No |
| Nurse practitioner or physician assistant | Reimbursement for services of certified nurse practitioner or licensed physician assistant, including prescribing or dispensing drugs, if the policy provides reimbursement when a licensed physician provides the service. | ORS 743A.036 | 1980 | No | Yes | Yes | Yes | Yes |
| Optometrist | Reimbursement for services when a health insurer contracts to provide eye care services under a policy. | ORS 743A.040, ORS 750.065 | 1968 | No | Yes | No | Yes | Yes |
| Physician assistant | Reimbursement for claims submitted by a physician assistant. | ORS 743A.044 | 1998 | No | Yes | No | Yes | Yes |
| Psychologist | Reimbursement for services provided by psychologist. | ORS 743A.048 | 1976 | No | No | Yes | Yes | Yes |
| State hospital or state approved program services | No health insurance policy shall exclude from payment or reimbursement losses for service rendered at any hospital owned or operated by the State of Oregon or any state approved community mental health and developmental disability program. | ORS 743A.010 | 1972 | No | Yes | Yes | Yes | Yes |

REPEALED MANDATES (ORS 743A.001):

- 743A.050 Services provided by registered nurse first assistant – Repealed 2012
- 743A.064 Prescription drugs dispensed at rural health clinics – Repealed 2009
- 743A.120 Prostate screening examinations – Repealed 2012
- 743A.124 Colorectal cancer screenings and laboratory tests – Repealed 8/2012
- 743A.144 Prosthetic and orthotic devices – Repealed 01/01/2014
- 743A.164 Injuries caused in whole or part by use of alcohol or controlled substances – Repealed 01/01/2014
- 743A.180 Tourette Syndrome – Repealed 1998
- 743A.184 Diabetes self-management programs