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BULLETIN NO. 2015-024

TO: EVERY INSURER, NONPROFIT HEALTH CARE PLAN, HEALTH
MAINTENANCE ORGANIZATION
FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE
DATE: JULY 14, 2015
RE: AFFORDABLE CARE ACT LARGE GROUP MARKET TRANSITIONAL
POLICY

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SUPERINTENDENT
OF INSURANCE

THIS BULLETIN EXPANDS UPON AND SUPERSEDES NO. 2015-021.

This Bulletin is issued pursuant to Section 59A-2-8 NMSA 1978 of the New Mexico Insurance Code, 13.1.2 *et seq.* NMAC.

On March 5, 2014, the Centers for Medicare & Medicaid Services (CMS) published guidance for state insurance regulators that allowed the states to choose among options for allowing transitional individual and small group health insurance policies. This bulletin addresses the transition of large groups size 51-100 to small group status.

You may see the CCIIO guidance at this link:

<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf>

The Superintendent of Insurance has consulted with employee and insurer stakeholders and is clarifying the prior bulletin and guidance of New Mexico Office of Superintendent of Insurance (NM OSI) regarding the "large group market transitional policy" (LGMTP) as set forth in this Bulletin. New Mexico issuers of large group policies may permit groups of 51-100 employees to purchase new large group coverage until December 31, 2015 and allow renewal of large group between January 1, 2016 and October 1, 2016.

Eligible employer groups may renew their existing large group coverage or purchase new large group coverage pursuant to this Bulletin. A large group employer who opts to take advantage of an insurer

offering and take advantage of the LGMTP is not required to remain with the insurer from which it originally had coverage. Instead, the large employer will be eligible to renew its large group plan if, between January 1, 2016 and October 1, 2016, it renews a large group employer plan that it purchased on or before December 31, 2015 from any participating issuer in the large group market. Employers who are completely new and purchasing employee coverage for the first time after December 31, 2015, will not be eligible for renewal under this Bulletin.

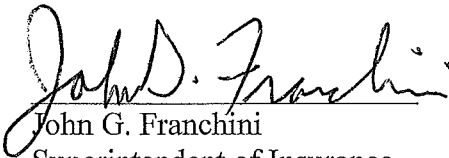
This Bulletin applies only to large group plans which an employer renews for a plan year beginning on any date between January 1, 2016 and October 1, 2016, and only when the insurer has opted to offer plans pursuant to this policy.

LGMTP must comply with the following:

- From January 1, 2016 through October 1, 2016, an insurer may offer renewal of existing policies to groups with 51-100 employees, provided that it makes an offer of renewal to ALL of its eligible LGMTP.
- Large group policies issued to or renewed by these employers at any time in 2015 may remain in force as LGMTP for no more than one year.
- No LGMTP policy shall remain in effect beyond October 1, 2017.
- Plans issued under the LGMTP must comply with all ACA requirements applicable to large group market plans.
- Insurers may renew a large group transition policy before its expiration in either 2015 or 2016, but in no event any later than October 1, 2016.
- Large groups of 51-100 can renew for any amount less than one year, or renew early, if this action is agreeable to both the group and the insurer. Notification must be given to the employer of any impact on rate this action would yield. The renewal must be made on or before Oct. 1, 2016.

ISSUED at Santa Fe, New Mexico on July 14, 2015.

OFFICE OF NEW MEXICO SUPERINTENDENT OF INSURANCE


John G. Franchini
Superintendent of Insurance