

# HCR ALERT

March 10, 2016

## Administration Extends Temporary “Fix” For Individual And Small Group Plans

In 2013, the Obama Administration responded to nationwide complaints about health insurance plans being cancelled or not renewed because of the requirements of the Affordable Care Act (ACA) by offering a one-year moratorium on key aspects of the market reform provisions under the Act. That relief was subsequently extended for two years to policy years beginning on or before October 1, 2016 in the small group and individual markets.

On February 29, 2016, the relief was once again [extended](#) for all non-grandfathered coverage in the individual and small group markets for policy years beginning on or before October 1, 2017, provided that all policies end by December 31, 2017. Specifically, issuers that have renewed policies under the transitional relief continually since 2014 can renew that coverage for a policy year starting on or before October 1, 2017; however, any policies renewed under this transitional policy cannot extend past December 31, 2017. This means that the last renewals that will qualify for the “fix” will occur on January 1, 2017. This may result in another round of early renewals offered by insurance carriers.

**Importantly:** To be eligible for this relief, the insurance policy had to have been in effect as of October 1, 2013. In addition, carriers are required to provide individuals and small employers with a notice (model letters are provided in the most recent notice) informing them, among other things, which Marketplace reform benefits are not included in the policy that is being renewed. In addition, the carriers must inform those affected that they can obtain coverage with the ACA market reforms on the state or federal Health Insurance Marketplace or from carriers outside of the Marketplace.

The relief allows carriers to continue offering coverage in the individual and small group marketplace that would have otherwise been terminated or cancelled because the coverage did not meet the ACA requirements. This means that if these requirements are met, small group plans can be renewed for 2016 that do not include, among other things:

- The Essential Health Benefit package and maximum out-of-pocket limits;
- Guaranteed availability and renewability of coverage;
- Changes in community rating rules; and
- The pre-existing conditions exclusions applicable to adults for individual plans.

The relief does not affect any of the other ACA requirements that are in effect. These include the Health Insurance Tax, the PCORI Tax and the Reinsurance Tax, along with all of the various notice and other requirements.

It is important to note that it will be up to the insurance commissioners and the carriers operating in their states to determine whether they are willing to continue to allow the insurance products currently operating under this relief. The Administration is not ordering that they extend this relief; it is only providing them with an opportunity to do so.

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Your Trion Strategic Account Managers are here to answer any questions you might have as you prepare to comply with upcoming ACA requirements. If you are not currently a Trion client and would like assistance navigating the changes required by health care reform, please contact us today by emailing [trionsales@trion-mma.com](mailto:trionsales@trion-mma.com).

## ACA Regulations & Guidance Issued In the Last Two Months

Feb. 2016: HHS Issues Notice of [Benefits and Payment Parameters for 2017 Final Rule](#)

Feb. 2016: Agencies Issue Proposed Revised [SBC](#), [Instructions](#), [Uniform Glossary](#), and [Other Related Documents](#)

Feb. 2016: IRS Issues Notice 2016-17 [Application of Market Reforms & Other Provisions to Student Health Coverage](#)

Feb. 2016: IRS Issues Notice 2016-14 [Health Insurance Providers Fee; Procedural and Administrative Guidance](#)

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