



Illinois Department of Insurance

JB PRITZKER
Governor

ROBERT H. MURIEL
Director

TO: ALL LIFE, ACCIDENT & HEALTH COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, LIMITED HEALTH SERVICE ORGANIZATIONS, & VOLUNTARY HEALTH SERVICE PLANS

FROM: Robert Muriel, Director of Insurance 

DATE: March 30, 2020

RE: COMPANY BULLETIN CB# 2020-05
Renewals of Existing Transitional Health Plans for Plan Year 2021

This Company Bulletin allows extension of the transitional policy to policy years beginning on or before October 1, 2021, provided all policies come into compliance by January 1, 2022. This Bulletin is issued in follow up to the January 31, 2020 guidance issued by CMS titled “Extended Non-Enforcement of Affordable Care Act – Compliance With Respect to Certain Policies”¹. Companies extending such transitional policies shall comply with the CMS guidance referred to above; however, in the event of any conflict between the CMS guidance and this Company Bulletin, the guidelines in this Bulletin should be considered the operative guidelines.

The following guidelines apply to renewals pursuant to this Bulletin:

1. Plans renewed continually since 1/1/2014 may renew such coverage for a policy year starting on or before October 1, 2021; however, any policies renewed under this transitional policy must come into compliance with the relevant requirements by January 1, 2022.
2. Nothing in the CMS letter or in this Bulletin requires an insurer to renew or continue a plan, and nothing allows an insurer to sell a new plan that does not comply with the ACA.
3. An insurer choosing to renew a non-compliant plan pursuant to the extended transitional policy must provide a relevant notice to all individuals and small businesses for each policy year. The notice must be substantially similar to the notice forms attached to CMS's January 31, 2020 letter, and any change to those notices must be submitted for approval to the Department. The CMS letter may be found at the following link:
<https://www.cms.gov/files/document/extension-limited-non-enforcement-policy-through-calendar-year-2021.pdf>
4. An insurer choosing to renew non-compliant plans pursuant to the extended transitional policy must notify the Department of this decision on or before April 30, 2020; and include in the notification to continue transitional plan coverage, the number of covered lives associated with each policy to be continued.

¹ <https://www.cms.gov/files/document/extension-limited-non-enforcement-policy-through-calendar-year-2021.pdf>

5. An insurer renewing a transitional plan may adjust premiums for the transitional plan as permitted under Illinois law for renewals beginning on or prior to 10/1/2021. Rate filings will generally be subject to a full actuarial review. These filings should be submitted to DOI at least sixty (60) days prior to the date the company intends to implement the rates. During this transition period, the Department will use its best efforts to support companies by completing expedited actuarial reviews where limited changes to rates are requested.
6. In the event a policy is renewed under this transitional guidance, the company shall not impose any additional deductibles, copayments, out of pocket requirements, or premium increases beyond the initial renewal period starting on or before 10/1/2021.

If you have any questions, please contact Sara Stanberry at Sara.Stanberry@illinois.gov or 217-558-3396.