



THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

August 26, 2013

Representative John Hunt
Legislative Office Building
House Commerce Committee, Room 302
Concord, New Hampshire 03301

Representative Ed Butler
Legislative Office Building
House Commerce Committee, Room 302
Concord, New Hampshire 03301

Dear Representative Hunt and Representative Butler:

Pursuant to RSA 420-N:4, III, I am writing to update the Joint Health Care Reform Oversight Committee ("Committee") on the provisions of the federal Affordable Care Act ("Act") that will soon take legal effect in New Hampshire, and on the status of the New Hampshire Insurance Department's implementation and enforcement efforts under the Act.

1. **Provisions that will take legal effect on January 1, 2014.**

The following federal requirements applicable to all individual and group policies (both large and small group) under the Act will take effect as of January 1, 2014:

- Guaranteed availability of coverage (42 USC 300gg-1)
- Guaranteed renewability of coverage (42 UCS 300gg-2)
- Prohibition on discrimination based on health status (42 USC 300gg-4)
- Prohibition on excessive waiting periods (42 USC 300gg-7)
- Coverage for individuals participating in approved clinical trials (42 USC 300gg-8)
- No lifetime or annual limits (42 USC 300gg-11)
- Prohibition on rescissions (42 USC 300gg-12)
- Coverage of preventive health services (42 USC 300gg-13)
- Patient protections (42 USC 300gg-19a)

The following federal requirements applicable to all individual and small group policies (but excluding large group) will take effect as of January 1, 2014:

- Coverage for essential health benefits (42 USC 300gg-6(a))
- Single risk pool requirement (42 USC 18032(c))
- Limited open enrollment period for individual market (market rules regulation)

Any state law provisions that prevent the application of these federal requirements will be preempted as of January 1, 2014. To the extent necessary to preserve its regulatory authority

(see RSA 420-N:7, IV(d) and RSA 420-N:8, I), the Department will enforce provisions of the Act that have taken legal effect in New Hampshire.

2. Status of Plan Management function

Consistent with the preservation of its regulatory authority over insurance products offered for sale in New Hampshire,¹ and in accordance with the Committee's approval of the partnership concept by majority vote on February 12, 2013, the Department has undertaken the Plan Management function with respect to insurance plans to be sold on the New Hampshire Health Insurance Marketplace being established and operated for the state by the federal Department of Health and Human Services. The Plan Management function is funded entirely through a federal grant.

Under the Plan Management function, the Department has done the following:

- Issued a preliminary bulletin on March 21, 2013 informing health and dental carriers of its general plans for implementing the function. Link: http://www.nh.gov/insurance/media/bulletins/2013/documents/ins_13_005_ab.pdf
- Issued a bulletin on April 10, 2013 establishing specific standards for carriers wishing to offer Qualified Health Plans.² Link: http://www.nh.gov/insurance/media/bulletins/2013/documents/ins_13_007_ab.pdf
- In accordance with the standards in the April 10 bulletin, made recommendations to the federal Department of Health and Human Services on July 31, 2013 as to which plans should be certified as qualified health plans for sale on the Marketplace as of October 1, 2013.
- Issued a bulletin on August 16, 2013 informing carriers and producers of the market rules standards established by SB 148 (2013 N.H. Laws chapter 272) and of the market rules provisions of the Act that will take effect in New Hampshire as of January 1, 2014. Link: http://www.nh.gov/insurance/media/bulletins/2013/documents/ins_13-017-ab-mktrules.pdf

3. Status of Consumer Assistance function

In April 2013, the Department was awarded a federal grant of \$5.3 million to perform consumer education and outreach with respect to the New Hampshire Health Insurance Marketplace. This grant was not, however, included in the Department's biennial budget. Given the time-critical nature of the outreach function, with the Marketplace opening October 1, 2013, the Department has relinquished the consumer assistance grant in favor of

¹ See RSA 420-N:7, III ("Subject to the requirements of this chapter with respect to oversight committee approval, state agencies or departments may operate specific functions of a federally-facilitated exchange consistent with this subdivision to enable the continuation of traditional areas of state regulation and authority.").

² Because this bulletin established standards, the Department obtained prior approval for the bulletin from the Committee on April 9, 2013. See RSA 420-N:4, II.

the NH Health Plan ("NHHP"), which operates the state's High Risk Pool under RSA chapter 404-G. Under HB 526 (2013 N.H. Laws chapter 200), the NHHP is responsible for overseeing the transition from the state High Risk Pool to the Health Insurance Marketplace being set up by the federal government. Given that the consumer assistance grant funds must be spent by the end of 2014, the timing of the program is consistent with the NHHP wind-down process. At present, NHHP's application for these funds is under review by the federal grant agency.

Link to NHHP Consumer Assistance site: <http://www.nhhp.org/nhhp/consumerassistance.asp>

Link to NHID and NHHP letters regarding grant transfer:

http://www.nh.gov/insurance/consumers/documents/nhid_ltradvbrd_cagrant.pdf

http://www.nh.gov/insurance/consumers/documents/nhhp_ltradvbrd-cagrant.pdf

I hope this information is helpful to the Committee. Please do not hesitate to contact me or my staff with any questions.

Very truly yours,



Roger A. Sevigny

cc: Committee Members: Representative Cindy Rosenwald
 Senator Andy Sanborn
 Senator Jeb Bradley
 Senator Peggy Gilmour

Governor Margaret Wood Hassan
NH DHHS Commissioner Nicholas A. Toumpas