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**Roger A. Seigny  
Commissioner**

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Deputy Commissioner**

**BULLETIN  
Docket No.: INS-16-015-AB**

**TO:** All New Hampshire Licensed Health Carriers

**FROM:** Roger A. Seigny 

**DATE:** March 28, 2016

**RE:** Guidance on Application of Extended Transition to Individual and Small Group Policies

**I. Introduction**

On March 5, 2014, the Centers for Medicare and Medicaid Services (“CMS”) issued an Insurance Standards Bulletin providing for the extension of the transition period for non-grandfathered coverage in the individual and small group insurance markets. The New Hampshire Insurance Department (“NHID”) adopted this extended transitional guidance via NHID March 11, 2014 Bulletin INS 14-009-AB thus permitting in the New Hampshire markets the extended guidance for a policy year starting on or before October 1, 2016.

On February 29, 2016, CMS issued an Insurance Standards Bulletin providing states the ability to allow for the extension of transitional individual and small group policies to policy years beginning on or before October 1, 2017, provided that all policies end by December 31, 2017.

The authority to extend the transition to Affordable Care Act (“ACA”) - Compliant policies is as permitted by the state as set forth in the CMS letter of November 14, 2013.

## **II. Guidance**

Although the CMS Bulletin contemplates that transitional policies can be renewed until October 1, 2017, it stipulates that no such policy may extend past December 31, 2017. This could be achieved by “allowing policy years that are shorter than 12 months.” However, a guarantee period or policy year with less than a 12 month guarantee violates RSA 420-G:4 I. (a), which provides as follows:

I. Health carriers providing health coverage to individuals and small employers under this chapter shall be subject to the following:

(a) All premium rates charged shall be guaranteed for a rating period of at least 12 months, and shall not be changed for any reason, including but not limited to a change in the group's case characteristics.

In addition, CMS, in its February 29, 2016 Bulletin, prohibits the extension of a policy period beyond 12 months. Therefore, the New Hampshire Insurance Department will not fully adopt the extended transition to Affordable Care Act – Compliant Policies as contemplated by CMS. Rather, the transition period will be extended only to policies that are renewed on or before January 1, 2017. Policies renewing after January 1, 2017 are required to be ACA compliant.

## **III. Contact Information**

Questions relating to this Bulletin should be directed to Jennifer Patterson, Health Policy Legal Counsel, at 603-271-2261, ext. 215 or by email: [jennifer.patterson@ins.nh.gov](mailto:jennifer.patterson@ins.nh.gov) or to Michael Wilkey, Director Life, Accident and Health at 603.271.2261 or by email: [michael.wilkey@ins.nh.gov](mailto:michael.wilkey@ins.nh.gov).