



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

BULLETIN
13-IB-02-06/12

TO: ALL INSURANCE COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS AND HOSPITAL AND MEDICAL SERVICE CORPORATIONS AUTHORIZED TO WRITE HEALTH INSURANCE IN THE DISTRICT

FROM: WILLIAM P. WHITE, COMMISSIONER 

SUBJECT: REQUIREMENTS RELATED TO THE APPLICABILITY OF TRANSITION OF HEALTH BENEFIT PLANS IN THE DISTRICT OF COLUMBIA IN 2014

DATE: AUGUST 28, 2013

The intent of this Bulletin is to communicate the Department's position regarding the requirements relating to the transition of insurance plans by insurance companies, health maintenance organizations, and hospital and medical service corporations ("Companies") writing health insurance in the District of Columbia in 2014. The Bulletin addresses both individual and small group (50 or fewer employees) plans. This Bulletin does not address grandfathered plans, large group plans, self-insured plans, or plans that are otherwise exempt from participation in DC Health Link in 2014. While providing guidance on both federal and District requirements related to transitioning health insurance policies, the goal of the Department is to allow Companies maximum flexibility in ensuring their policyholders successfully maintain coverage in 2014.

Individual Plans

Individual plans must transition to DC Health Link in 2014. As such, any individual health plan with a renewal date on or after January 1, 2014 must be sold through DC Health Link. However, Companies may not automatically transfer an existing policyholder to a health plan sold through DC Health Link. In order for a policyholder to transition from an existing health plan to a new health plan, the policyholder must initiate the process and voluntarily select the new health plan. In this regard, Companies should provide policyholders with a notice of the transition, and any instructions about obtaining new coverage through DC Health Link.

For Companies that will not be offering individual coverage through DC Health Link and have existing plans that will be terminating in 2014, the Companies should follow the requirements in D.C. Official Code § 31-3302.05(c)(1). Section 31-3302.05(c)(1) requires Companies to provide individual policyholder's notice at least 90 days prior to the date of discontinuation of coverage. The policyholder should be given information about DC Health Link and the availability of insurance producers, navigators and assisters to provide support in making the transition. The notice should also provide information about the availability of tax credits to some policyholders to assist them to pay their premiums. Finally, the notice should indicate that action on the part of the policyholder is required to purchase a new policy through DC Health Link. To this end, Companies should also provide a listing of individual District policyholders who have plans with a renewal date in 2014 to the Department by October 1, 2013.

For Companies that have individual plans approved for sale on DC Health Link in 2014, they can either follow the requirements described above for Companies not offering individual policies through DC Health Link, or alternatively, the requirements for a uniform modification of coverage as contained in 45 CFR 148.122 (g) and D.C. Official Code § 31-3302.05 (d). As discussed above, Companies cannot automatically move a policyholder to a plan on DC Health Link – the policyholder must affirmatively establish an account on DC Health Link and attest to the information in the account. A Company may facilitate the move through the use of producers, navigators, assisters or certified application counselors.

Small Group

Existing small group plans may renew outside DC Health Link in 2014, but must renew in DC Health Link in 2015. As such, there are no specific requirements for any changes at renewal in 2014. However, since there are requirements for plans to meet the Essential Health Benefits, those companies which will be modifying their products at renewal to meet these requirements must comply with the Federal and State requirements applicable to uniform modifications in the small group market (See 45 CFR 147.106 (e) and DC Code § 31-3303.03(b)). If a Company is discontinuing a small group plan, the Company should follow either the requirements in D.C. Official Code § 31-3303.03(a) (9) or the procedures provided in 45 C.F.R. § 147.106 (c). The requirements under D.C. Official Code § 31-3011, banning discontinuances of entire classes of health insurance policies as a pretext for dropping an individual policyholder, do not apply to discontinuances made pursuant to this Bulletin and for purposes of transitioning products to the DC Health Link in 2014 because existing products will be replaced with new products and customers may choose any available product on a guaranteed-issue basis.

The guidance in this bulletin shall apply to all health benefit plans offered in the individual and small group markets. Should you have any questions regarding this bulletin, please contact Philip Barlow, Associate Commissioner of Insurance, at (202)442-7823 or philip.barlow@dc.gov.