



Date: November 21, 2013¹
From: Gary Cohen, Director, Center for Consumer Information and Insurance Oversight
Subject: Frequently Asked Questions on Standard Notices for Transition to ACA Compliant Policies

On November 14, 2013, CMS issued a letter to State Insurance Commissioners outlining a transitional policy for certain non-grandfathered coverage in the small group and individual health insurance markets. Under the transitional policy, if permitted by applicable State authorities, health insurance issuers may choose to continue certain coverage that would otherwise be terminated or cancelled, and affected individuals and small businesses may choose to renew such coverage. On November 21, 2013, CMS issued guidance which contained notices health insurance issuers must use to inform policyholders of their option to keep their existing coverage in 2014 in order for the plan to meet the criteria of the transitional policy. The following questions and answers apply to Attachments 1 and 2 of the CMS bulletin.

Q1. Can health insurance issuers modify or customize the notices that were in the November 21, 2013 guidance?

A1. No. The notices in the November 21, 2013 guidance cannot be modified in any way by a health insurance issuer and are required to be used by issuers in informing policyholders of their rights in order for the plan to meet the criteria of the transitional policy. These notices satisfy the notice requirement outlined in the November 14, 2013 letter to the State Insurance Commissioners. Issuers can include a cover letter with the notices providing additional information regarding the renewals, such as issuer contact and premium information.

Q2. Can States develop their own notices and require health insurance issuers in their State to substitute their notices for the notices in the November 21, 2013 guidance?

A2. Yes, with CMS approval. State Insurance Commissioners can develop required notices that are more consumer protective and more informative than the notices in the November 21, 2013 guidance. If they choose to do so, however, the State notices must be reviewed and approved by

¹ Revised as of November 25, 2013.

CMS before they are sent out by the health insurance issuers. Once the State notices are approved by CMS, they cannot be modified or customized by the health insurance issuers.

Q3. Can the required notices be combined or inserted in other plan materials or correspondence that is being sent to policyholders?

A3. The required notices, regardless of whether they are from the November 21, 2013 guidance or developed by a State (and approved by CMS), must be sent to policyholders separately from any other plan material or correspondence, except for information related to changes in premium associated with the renewal. As stated in the response to Q1, however, issuers can include a cover letter with the notices providing additional information regarding the renewals. And, issuers can include material related to any premium changes associated with the renewal along with the required notices.