

Updated 11/26/13

## In the Spotlight: 2013 Renewals

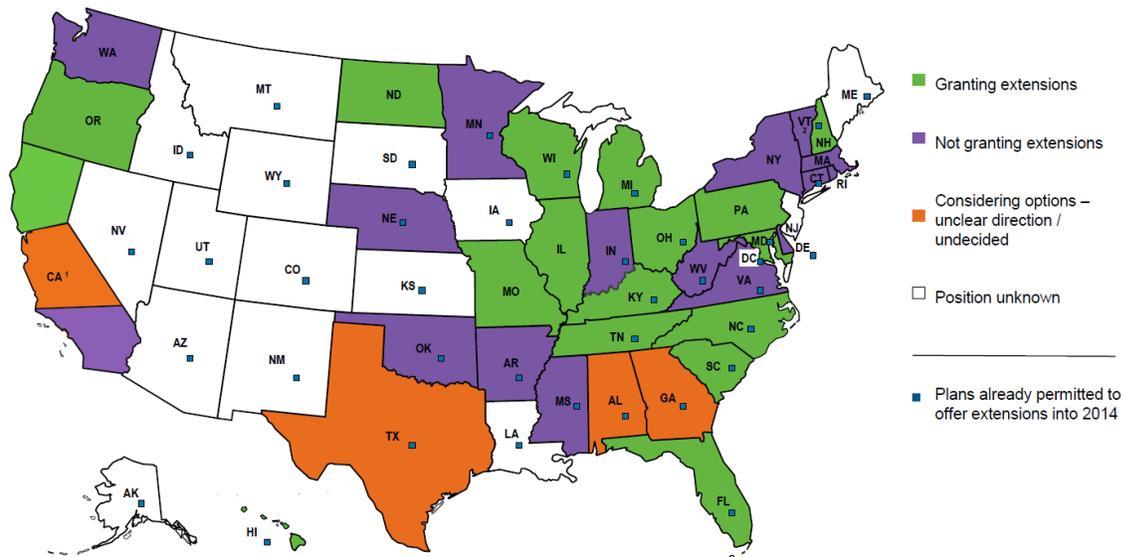
At the end of 2013, as the Affordable Care Act (ACA) required, individuals around the country and in North Carolina began to receive notices if their existing 2013 plans did not meet the minimum standards required in the ACA for the upcoming 2014 plan year. Issuers had the option of either significantly revising the old 2013 plans to meet the new standards or issuing new, ACA-compliant plans. Either way, significant changes (and usually a price increase), were coming. In North Carolina, non-grandfathered individual members of Blue Cross and Blue Shield of North Carolina were automatically mapped to a new ACA-compliant plan that included the benefits associated with ACA. Amidst mounting pressure, on November 14, President Obama announced that states and insurers had the flexibility to continue into 2014 certain non-grandfathered 2013 plans that did not meet the minimum benefits of ACA as 2014 “transitional” policies.

### What Does it All Mean?

Because discretion to participate in the transitional program was left to the States and issuers, the impact of the President’s announcement will vary by state. The chart below illustrates the number of states that are either still considering or not allowing the extension of the older policies.

### State Responses to Administration Policy on Coverage Extensions.

November 26, 2013



1. California has a dual regulatory environment. The Insurance Commissioner plans to encourage health insurers to offer coverage extensions, Covered California (the state-based Exchange) will not permit carriers offering QHPs on the Exchange to offer extensions, and the Department of Managed Health Care is still evaluating its options.  
 2. Vermont previously authorized a coverage extension for individual and small group plans through March 31, 2014.

According to regulators (via conversation with federal agencies), certain ACA provisions will apply to transitional policies. These provisions include no lifetime or annual limits, mental health and substance abuse parity, and the prohibition on excessive waiting periods.

## North Carolina Impacts

In North Carolina, the Commissioner of Insurance, Wayne Goodwin, will allow issuers to apply to renew the impacted 2013 plans for another year and has pledged to work to facilitate this program as quickly and reasonably as possible given the federal guidance provided<sup>i</sup>. This program is only available in individual and small group markets. BCBSNC intends to take advantage of this opportunity to allow its existing individual members to maintain their policies, where possible.

Only plans that were in place on October 1, 2013, would be eligible. Members on one of these individual plans will be sent rate notices in early December reflecting the transitional policy. If BCBSNC members would like to keep their 2013 plans, they do not have to do anything – we will automatically renew these plans under the transitional program as the default. If individuals would like to switch to a new 2014 ACA plan, they can visit our site to browse plans, check subsidy eligibility, and enroll. It is anticipated that members on a transitional plan will need to switch to ACA-compliant plans for 2015. For the small group market, prior to the recent announcements, many small groups (fewer than 50 employees) had already moved to a December 2013 effective dates which allowed them to maintain pre-ACA rates and benefits through their policy year ending in December 2014.

For details regarding this program, please visit [www.bcbsnc.com/keepmyplan](http://www.bcbsnc.com/keepmyplan).

### For More Information

President Obama's Announcement: [http://www.washingtonpost.com/politics/transcript-president-obamas-nov-14-statement-on-health-care/2013/11/14/6233e352-4d48-11e3-ac54-aa84301ced81\\_story.html](http://www.washingtonpost.com/politics/transcript-president-obamas-nov-14-statement-on-health-care/2013/11/14/6233e352-4d48-11e3-ac54-aa84301ced81_story.html)

BCBSNC Announcement: <http://mediacenter.bcbsnc.com/news/bcbsnc-files-to-renew-2013-individual-health-plans>

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<sup>i</sup> Commissioner Goodwin announced his support for implementing transitional policies on Friday, November 15.