



Division of Insurance

445 E. Capitol Ave. | Pierre, SD 57501
Phone: 605.773.3563 | Fax: 605.773.5369
insurance@state.sd.us
Merle Scheiber, Director

dlr south dakota department of
**labor and
regulation**

Winter 2013

In this Issue

Page 1

Transition Policy
for Canceled Health
Plans

Page 2

Transition Policy
for Canceled Health
Plans, continued

South Dakota
Division of Insurance
Allows Carriers to
Extend Plans

Risk Pool

Page 3

SHOP Exchange
Delayed One Year

Electronic Filing of
Premium Tax Returns

Recent Bulletins

Transition Policy for Canceled Health Plans

On Nov. 14, 2013, the Department of Health & Human Services, Centers for Medicare and Medicaid Services, and the Center for Consumer Information and Insurance Oversight proposed a transition policy option for an individual to re-enroll or stay on his or her current coverage for 2014.

Under this transitional policy, health insurance coverage in the individual or small group market renewed for a policy year starting between Jan. 1, 2014 and Oct. 1, 2014 will not be considered to be out of compliance with specified ACA reforms if certain conditions are met.

The specified ACA reforms subject to the transition relief are those scheduled to take effect for plan years starting on or after Jan. 1, 2014:

- Section 2701 – Rating reforms (can rate as currently allowed under state law)
- Section 2702 – Guaranteed availability of coverage (cannot be sold after Dec. 31, 2013)
- Section 2703 – Guaranteed renewability of coverage (HIPAA still applies)
- Section 2704 – Prohibition on pre-existing condition exclusions or other discrimination based health status (individual only – HIPAA applies to small group)
- Section 2705 – relating to prohibition of discrimination against individual participants and beneficiaries based on health status (individual only – other rules apply to small group)
- Section 2706 – Relating to non-discrimination in health care
- Section 2707 – Relating to comprehensive health insurance coverage
- Section 2709 – Participation in clinical trials

The transition relief applies only with respect to individuals and small businesses with coverage in effect on Oct. 1, 2013. It does not apply with respect to individuals and small businesses that obtain new coverage after Oct. 1, 2013. All new plans must comply with the full set of ACA reforms.

continued next page

Transition Policy for Canceled Health Plans, continued

If health insurance issuers decide to offer the transition policies, they must send a notice to all individuals and small businesses that received a cancellation or termination notice with respect to the coverage (or to all individuals and small businesses that would otherwise receive a cancellation or termination notice with respect to the coverage).

Notice Requirements

The notice to individuals and small businesses must provide the following information:

- Any changes in the options that are available to them;
- Which of the specified ACA reforms would not be reflected in any coverage that continues;
- Their potential right to enroll in a qualified health plan offered through a Marketplace and possibly qualify for financial assistance;
- How to access such coverage through a Marketplace; and
- Their right to enroll in health insurance coverage outside of a Marketplace that complies with the specified market reforms.

Where individuals or small businesses have already received a cancellation or termination notice, the issuer must send this notice as soon as reasonably possible.

Where individuals or small business would otherwise receive a cancellation or termination notice, the issuer must send this notice by the time it would otherwise send the cancellation or termination notice.

South Dakota Division of Insurance Allows Carriers to Extend Plans

The South Dakota Division of Insurance will allow health care insurers the flexibility to extend current plans in 2014. The decision came down to protecting South Dakotans who would have lost their health insurance coverage through no fault of their own, even though the federal government is allowing this flexibility only for an additional year.

Risk Pool

The South Dakota Risk Pool will continue to operate through 2014. Individuals who are enrolled in the Risk Pool will be able to continue their coverage. The Risk Pool will not be accepting new enrollees after Jan. 1, 2014. If you have any questions, please contact the South Dakota Risk Pool office by calling 605.773.3148, emailing Riskpool@state.sd.us or visiting them online at <http://riskpool.sd.gov/>.

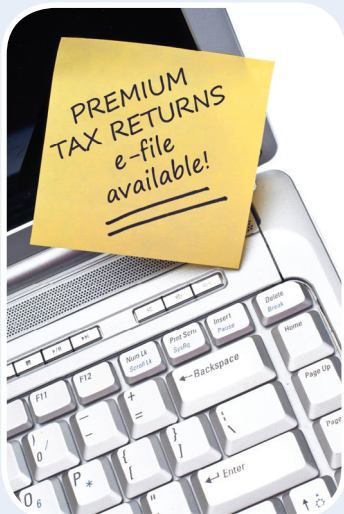
SHOP Exchange Delayed One Year

On Nov. 27, President Obama’s administration announced online enrollment for the Small Business Health Options Program (SHOP exchange) will be delayed until next year for benefits that will be available in 2015.

The ACA does not require small employers — those with fewer than 50 full-time employees — to provide health benefits. However, those who do are eligible for small business tax credits worth up to 50 percent of employer-paid premium costs.

Small businesses who wish to utilize the federally run SHOP exchange and the tax credits available to some firms will sign up through an insurance agent, broker or directly with a health insurance company. All agents and brokers are required to be certified through the exchange by completing the SHOP exchange online training.

Under direct enrollment, a broker, agent or carrier will enroll employees. Federal officials will review the applications to determine whether the business and employees are eligible for SHOP coverage. Small employers will not know until after enrollment whether they will qualify for the tax credits.



Electronic Filing of Premium Tax Returns

Premium tax returns are now added to the list of electronic filings the South Dakota Division of Insurance provides. The 2013 South Dakota premium tax returns will now be filed electronically. The e-file will be free using software provided by Tri-tech. Non-subscribers to Tri-tech can use the following link to get started with filing: <http://www.tritechsoft.com/efileNet/sdefiledefault.asp>. Companies currently using the Tri-tech Premium Pro software will be able to submit the electronic filing within the software. If you have any questions please call Luann Johnson or Johanna Nickelson at the South Dakota Division of Insurance at 605.773.3563.

Recent Bulletins

[13-04](#) Rebates, Fees and Commissions

[13-05](#) Health Insurance Market Regulations