

MARTIN O'MALLEY  
Governor

ANTHONY G. BROWN  
Lt. Governor



THERESE M. GOLDSMITH  
Commissioner

KAREN STAKEM HORNIG  
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
1-800-492-6116 TTY: 1-800-735-2258  
[www.mdinsurance.state.md.us](http://www.mdinsurance.state.md.us)

### **BULLETIN 14-09**

Date: March 21, 2014

To: Insurers, Nonprofit Health Service Plans, and Health Maintenance Organizations  
("Carriers")

Re: Extension of Federal Transitional Policy for Non-Compliant Health Benefit Plans

The purpose of this Bulletin is to confirm that all non-grandfathered health benefit plans issued or renewed in Maryland's individual and small group markets on or after January 1, 2014 must comply with all applicable requirements of the Affordable Care Act that became effective on January 1, 2014.

On March 5, 2014, the Centers for Medicare and Medicaid Services (CMS) announced that it would extend for two years, to policy years beginning on or before October 1, 2016, a transitional policy that CMS first announced on November 14, 2013. Under the transitional policy, if permitted by applicable state authorities, carriers may continue to renew non-grandfathered plans that are not in compliance with certain requirements of the Affordable Care Act (ACA) that became effective on January 1, 2014, and CMS would not consider those carriers to be out of compliance with federal law.

In response to the November 14, 2013 CMS announcement, the Maryland Insurance Administration (MIA) issued MIA Bulletin 13-30 on November 19, 2013. MIA Bulletin 13-30 clarified that Maryland law permitted carriers to renew non-grandfathered individual and small group health benefit plans that were not ACA compliant for terms that extended beyond December 31, 2013, provided that those renewals took effect by January 1, 2014. The Bulletin also noted, however, that the ACA requirements that are the subject of CMS's transitional policy are now Maryland law, and apply to non-grandfathered health benefit plans issued or renewed in Maryland on or after January 1, 2014. Any early renewals of non-ACA compliant plans, therefore, were required to take effect no later than 12:00 A.M. on January 1, 2014.

In its March 5, 2014 announcement, CMS stated that it would permit states that did not adopt the November 14, 2013 transitional policy (which would include Maryland) to implement the transitional policy going forward for any policies that were “early renewed” in late 2013. As MIA Bulletin 13-30 makes clear, however, under Maryland law, renewal of non-ACA compliant plans after January 1, 2014 is impermissible. All non-grandfathered health benefit plans in Maryland’s individual and small group markets must comply with applicable ACA requirements that took effect on January 1, 2014.

Any questions about this Bulletin may be directed to the Life & Health Section of the Maryland Insurance Administration at 410-468-2170.

*Signature on original*

A solid black rectangular box redacting the signature of the Maryland Insurance Commissioner.

Therese M. Goldsmith  
Maryland Insurance Commissioner