



**Ohio Association of Health Underwriters
Ohio Regulatory Alert!
June 20, 2016**

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ODI Issues Bulletin Clarifying InHealth Special Enrollment Period

Last Wednesday, the Ohio Department of Insurance issued Bulletin 2016-02 which states that all insurance companies doing business in the individual market in Ohio must accept enrollees affected by the InHealth liquidation during the 60-day special enrollment period that runs through July 26, 2016, regardless of whether the enrollee is on or off Exchange.

The Bulletin states that eligible consumers signing up for new coverage as a result of the loss of minimum essential coverage will have an effective date of July 1 for consumers signing up through the end of June, and August 1 for consumers signing up through the end of the special enrollment period on July 26, 2016.

Below is the Bulletin:

**BULLETIN 2016-02
Special Enrollment Period Effective June 15, 2016**

On May 26, 2016, Coordinated Health Mutual, Inc., dba InHealth Mutual (“InHealth”), was determined to be insolvent and ordered liquidated by the Franklin County Court of Common Pleas. As such, on May 26, 2016, InHealth became an “insolvent insurer” for purposes of Ohio law governing the Ohio Life

and Health Guaranty Association (“Association”). See Ohio Revised Code (“ORC”) 3956.01(E) (defining “insolvent insurer” as “a member insurer that, after November 20, 1989, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency”).

Ohio law provides that if a member insurer of the Association becomes an insolvent insurer, the Association shall “[a]ssure payment of benefits for premiums identical to the premiums and benefits . . . that would have been payable under the policies of the insurer, for claims incurred” within certain time limits. ORC 3956.08(D)(1). Ohio law further provides that the benefits for which the Association may become liable shall not exceed the lesser of: 1) the contractual obligations for which the insurer would have been liable if it were not an insolvent insurer; or 2) five hundred thousand dollars in basic hospital, medical, and surgical insurance or major medical insurance. ORC 3956.04(C).

Consequently, as of May 26, 2016, the date on which InHealth became an insolvent insurer, InHealth’s coverage ceased to meet the federal definition of “minimum essential coverage” as provided by 26 USC § 5000A(f) and 26 CFR 1.5000A-2.

Federal law provides for a special enrollment period in the individual market (both on and off Exchange) for the loss of minimum essential coverage. Because individual InHealth members lost minimum essential coverage as of May 26, 2016, these members are afforded a special enrollment period under federal law to elect other coverage.

For on-Exchange business, 45 CFR 155.420(d) provides that the Exchange must allow a qualified individual or enrollee to enroll in or change from one qualified health plan (“QHP”) to another if certain triggering events occur. Loss of minimum essential coverage is a triggering event, and 45 CFR 155.420(d)(1)(i) provides that “[t]he date of the loss of coverage is the last day the consumer would have coverage under his or her previous plan or coverage.” A qualified individual or enrollee has 60 days after the triggering event to select a QHP. 45 CFR 155.420(c).

For off-Exchange business, 45 CFR 147.104(b)(2) provides that an issuer in the individual market must provide a limited open enrollment period for loss of minimum essential coverage. Enrollees must be provided 60 days before and after the date of the triggering event to elect coverage. 45 CFR 147.104(b)(4).

Therefore, all insurance companies doing business in the individual market in

Ohio must accept enrollees affected by the InHealth liquidation during the 60-day special enrollment period that runs through July 26, 2016, regardless of whether the enrollee is on or off the Exchange.

Insurance companies doing business off-Exchange must initiate coverage upon presentation of a current InHealth ID card by the enrollee. After initiating coverage, insurance companies may, promptly, request additional information or documentation from the consumer for purposes of verifying that the consumer's InHealth coverage was in effect at the time of the liquidation order. Any consumers unable to produce the requested information or documentation should contact InHealth for assistance at inhealthverify@inhealthohio.org or call at (614)212-6004 or, if busy, 800-580-8502 or by mail to InHealth Mutual at 501 W. Schrock Road, Columbus, OH 43081.

Eligible consumers signing up for new coverage as a result of the loss of minimum essential coverage will have an effective date of July 1 for consumers signing up through the end of June, and August 1 for consumers signing up through the end of the special enrollment period on July 26, 2016.

Failure to comply with this bulletin is an unfair and deceptive act or practice in the business of insurance within the meaning of ORC 3901.21. Any complaints related to an insurance company's failure to comply with this bulletin can be forwarded directly to the Ohio Department of Insurance Market Conduct Division at market.conduct@insurance.ohio.gov.

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