

## HEALTH CARE REFORM ALERT



Alerting you on health care reform legislation and regulations

February 16, 2017

### Proposed Regulations Issued for Individual Market Stabilization

On February 15, 2017, the Department of Health and Human Services (HHS) released a proposed rule to help stabilize the individual and small group markets. It is the first example of how the Secretary of HHS may reduce the “economic burden” of the Affordable Care Act, as directed in the [January 20, 2017 Executive Order](#) issued by the White House. The proposed changes impact a number of existing regulations specific to individual and small group market plans, effective for the 2018 plan year.

The proposed rule does not directly impact large group or expatriate health plans, but rather intends to help stabilize the Health Insurance Marketplace, provide more flexibility to states and insurers, and give individual health plan consumers more coverage options. According to the Centers for Medicare and Medicaid Services (CMS), the proposed changes aim to help protect enrollees in the individual and small group markets while future reforms are being debated.

Proposed policy and operational changes include:

- **Special Enrollment Period — Pre-Enrollment Verification**  
Expand verification of eligibility for special enrollment periods in Marketplaces via [HealthCare.gov](http://HealthCare.gov). Leveraging a common practice among employer health plans, special enrollment periods will require supporting documentation to ensure eligibility standards are met. A customer will not be enrolled until verification is completed.
- **Use of Special Enrollment Periods**  
Limit the ability of Marketplace enrollees to change plan metal levels during the coverage year and, for special enrollments due to marriage, require at least one spouse to have had minimum essential coverage for one or more days during the 60 days prior to the date of the marriage.

- **Guaranteed Availability**  
Allow issuers to collect premiums for unpaid coverage within the past year before re-enrolling individuals whose coverage has been terminated for nonpayment of premium.
- **Actuarial Value**  
To help provide enrollees with more coverage options, give issuers greater flexibility in the de minimis range currently used for determining the actual value associated with certain metal levels of coverage.
- **Network Adequacy**  
To help ensure that enrollees have access to high-quality care networks, CMS will defer to states that have sufficient review processes to determine network adequacy for their residents. Otherwise, CMS will rely on an issuer's accreditation from an HHS-recognized accrediting entity.
- **Qualified Health Plan (QHP) Certification Calendar**  
Revise timeline for the QHP certification and rate review process, effective with 2018 plans, to provide issuers additional time to implement proposed changes that are finalized before the 2018 coverage year. This is intended to help maximize the number of coverage options available to enrollees.
- **Shortened Open Enrollment Period**  
Adjust the 2018 open enrollment period for the individual market to November 1, 2017 through December 15, 2017, to more closely align the Marketplaces with the employer-sponsored insurance market and Medicare. This proposed change moves up the shortened enrollment period one year, as it was originally set to begin for the 2019 open enrollment period.

The amendments to special enrollment periods, guaranteed availability and the annual open enrollment period are intended to encourage individuals to maintain coverage throughout the year without lapses. CMS notes it will continue to explore and seek input on additional policies in the individual market to further promote continuous coverage.

Comments on these proposed amendments are requested by March 7, 2017.

Read [the proposed regulations](#) or the [CMS news article](#) for more details on these amendments.



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