

**OHIO DEPARTMENT OF INSURANCE
STATE OF OHIO**

BULLETIN 2011-06

**ANNUAL DOLLAR LIMIT RESTRICTIONS FOR ESSENTIAL BENEFITS IN
INDIVIDUAL NON-GRANDFATHERED HEALTH INSURANCE POLICIES**

Effective March 7, 2011

Bulletin 2011-06 (hereafter “this Bulletin”) is being issued to replace Bulletin 2011-04, entitled, “Waiver of Annual Limits Restrictions” that was made effective January 7, 2011, and which was rescinded by Bulletin 2011-05 effective March 7, 2011.

The Patient Protection and Affordable Care Act (P.L. 111-148) (“PPACA”) signed March 23, 2010, as amended, added Section 2711 of the Public Health Service Act, which prohibits annual dollar limits on essential benefits in non-grandfathered individual policies containing annual limits of less than \$750,000, effective for policy years beginning on and after September 23, 2010 and prior to September 23, 2011. Related federal regulations describing the particulars can be found at 26 CFR 54.9815-2711T, 29 CFR 2590.715-2711, and 45 CFR 147.126. The federal government invited carriers and states to apply for a waiver of the annual limit restriction with respect to “mini-med” policies when the application of the restriction in connection with PPACA mandates could be demonstrated to cause significant decrease in access to benefits or a significant increase in premiums. Based on guidance from the Office of Consumer Information and Insurance Oversight (“OCIIO”), the Ohio Department of Insurance (“Department”) requested and received a waiver of this requirement from the Department of Health and Human Services for the basic and standard policy forms as utilized for the open enrollment program under Revised Code (“R.C.”) Sections 3923.58 and 3923.581, and as utilized for provision of conversion policies under R.C. 3923.122 and 1751.16. This waiver was valid for one year only for policy years beginning on and after September 23, 2010 and prior to September 23, 2011.

The Department believes continuing acceptance of the waiver conflicts with the strictures of paragraph 2(e) of Executive Order 2011-01K (Common Sense Initiative), requiring agencies to “attempt, in all rules and regulations, to properly balance the critical objectives of the regulation and the cost of compliance....” Therefore, carriers subject to open enrollment under the above statutes and carriers utilizing these forms for conversion policies must offer PPACA-compliant basic and standard policies with the annual limit restriction of a minimum of \$750,000 for essential benefits for non-grandfathered policy years from the date of this bulletin through September 22, 2011. Non-grandfathered policy years thereafter must comply with the applicable annual dollar limit restrictions stated within PPACA and related federal regulations and guidance. The PPACA-compliant policy forms are on the Department’s website at www.insurance.ohio.gov.


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