



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF INSURANCE

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BULLETIN 97-05

TO: All Commercial Carriers, Blue Cross and Blue Shield of Massachusetts (BCBSMA) and Health Maintenance Organizations (HMOs)

FROM: Commissioner Linda Ruthardt

DATE: May 22, 1997

RE: The Small Group Continuation of Coverage Law

1. Notices Issued Pursuant to the Small Group Continuation of Coverage Law

M.G.L. c. 176J, § 9(j)(5) indicates that commercial carriers, BCBSMA and HMOs may require a small businesses or intermediary to issue all notices required to be provided to qualified beneficiaries under M.G.L.c. 176J, § 9(j). If a commercial carrier, BCBSMA or HMO requests a small business or intermediary to issue notices to qualified beneficiaries pursuant to M.G.L. c. 176J, § 9(j)(5) the following is required:

- (1) The small business or intermediary must be notified in writing that it is required to issue the notices. Such written notification should include the name and telephone number of a contact person at the carrier, BCBSMA or HMO who is familiar with both the small group continuation of coverage law and the procedures such carrier, BCBSMA or HMO has for implementing the small group continuation of coverage law.
- (2) Carriers, BCBSMA and HMOs must provide the small business or intermediary with the form and content of the language required to be contained in any notice it is requiring the small business or intermediary to issue.

2. Payment of Premium for Continuation of Coverage under the Small Group Law

If a carrier, BCBSMA or HMO requires that payment of premium for all continuation of coverage be made indirectly through the small business or intermediary pursuant to M.G.L. c 176J, § 9(c), the carrier, BCBSMA or HMO shall not require the small business or intermediary to pay any premium on behalf of a qualified beneficiary prior to its receipt from the qualified beneficiary.

3. Filing Requirements-Reminder

M.G.L. c. 176J, § 6 and 211 CMR 66.13 require that all small group health benefit plans be filed with the Division. As noted in Bulletin Nos. 96-13 and 96-14, carriers, BCBSMA and HMOs were given until November 1, 1996 to update policies, develop policy endorsements and implement procedures to provide the required written notice in response to the passage of the small group continuation of coverage law. The Division will be reviewing these filings beginning July 1997 to ensure that all policy updates/endorsements, including notices, are in accordance with applicable law.

Any questions regarding policy/notice filings call be directed to the Health Unit of the State Rating Bureau at (617) 521-7349.