COMMONWEALTH OF MASSACHUSETTS
DIVISION OF INSURANCE

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LINDA RUTHARDT
COMMISSIONER

Bulletin No. 96-13

To: **Commercial Insurers, Blue Cross and Blue Shield of Massachusetts, and HMOs**

From: **Commissioner Linda Ruthardt**

Re: **Implementation of the provisions of Chapter 297 of the Acts of 1996 regarding changes to the statutes for Small Employer Health Insurance (M.G.L. c. 176J) and the enactment of Nongroup Health Insurance (M.G.L. c. 176M) and Portability of Health Insurance (M.G.L. c. 176N)**

Date: **August 15, 1996**

As noted in Bulletin 96-12, Chapter 297 of the Acts of 1996, an emergency act affecting health insurance in the Commonwealth, became law on August 9, 1996. The Division will be working toward its orderly implementation to meet its purpose, which was defined by the General Court as immediately increasing access to health insurance for the people of Massachusetts.

In order to meet the purposes of this emergency act, the Division would find the following ***interim*** procedures to meet the intent of the statute:

- Carriers may extend existing coverage *until November 1, 1996* for group policies up for renewal between August 15, 1996 and October 31, 1996, if doing so will allow a carrier to develop rates and policies which comply with the provisions of Chapter 297 regarding small employer health insurance (M.G.L. c. 176J) and portability of health insurance (M.G.L. c. 176N).
- Carriers will be considered by the Division to be in compliance with requirements that policies contain certain language about "portability" and continuity of coverage if carriers distribute complying policy endorsements *not later than November 1, 1996.*
- Carriers who are newly subject to the small group health insurance law by the provisions of Chapter 297 will be considered by the Division to be in compliance with the small group guarantee issue requirement if they are able to offer coverage to all small groups with between 1 and 50 employees, as required by M.G.L. C. 176J, *not later than November 1, 1996.*

In addition, the Division encourages carriers to manage their books of business in accordance with the spirit of the statute - taking steps to assist consumers to keep or arrange for coverage during the immediate future. Standard policies, open enrollment periods and new rating systems for nongroup policies are not required to be fully operational prior to September 1, 1997. Nor do the so-called "closed" books of nongroup business fully close until that date. In the interim, it is clear that some consumers will need to find or keep coverage. There is no reason to believe that the General Court intended Chapter 297 to cause loss of coverage opportunities for Massachusetts residents in the period between passage of the Act and its full implementation.

The Division invites carriers to bring concerns and thoughts to the attention of the staff as the Division implements this new law. If carriers have questions about the law, calls should be directed to Caroline E. DeStefano of the Office of the General Counsel at (617) 521-7364.