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Bulletin 2010-07

TO: **Commercial Health Insurers, Blue Cross and Blue Shield of Massachusetts, Inc., and Health Maintenance Organizations Offering or Renewing Insured Health Products in Massachusetts**

FROM: **Joseph G. Murphy, Commissioner of Insurance**

DATE: **June 29, 2010**

RE: **Requirements for Disclosure of Minimum Creditable Coverage**

This Bulletin replaces Bulletin 2008-02 issued on January 15, 2008.

As of January 1, 2009, the Massachusetts Health Care Reform Law requires each Massachusetts resident, eighteen (18) years of age and older, to have health coverage that meets the Minimum Creditable Coverage ("MCC") standards set by the Commonwealth Health Insurance Connector ("Connector"), unless the health plans meeting these standards are deemed not to be affordable to that person.

In order to help individuals determine if the health coverage they have or intend to purchase is sufficient to satisfy the individual mandate, this bulletin notifies all commercial health insurers, Blue Cross and Blue Shield of Massachusetts, Inc., and Health Maintenance Organizations (collectively "carriers") with coverage effective on or after February 1, 2008, that carriers must disclose to insureds and potential insureds a health plan's MCC status and whether the plan satisfies the individual coverage mandate of the Massachusetts Health Care Reform Law. Such disclosure shall be placed in a prominent location and in easily understandable language on the face or first page of text of the policy, certificate, or schedule of benefits that describes the specific plan benefits. The health plan's MCC status will be based on compliance with applicable standards in effect on and after January 1, 2009 as set forth by the Connector either by regulation or administrative bulletin.

In the case of an employer-sponsored group insured health plan, said disclosure requirement also applies to marketing materials that describe the insured health plan benefits that are used during the employer's open enrollment period.

For insured health plans as defined in M.G.L. c. 176N

For an individual or group insured health plan in Massachusetts, as defined in M.G.L. c. 176N, the required disclosure shall be placed on the face or first page of the text of the policy, certificate, or schedule of benefits and shall describe the specific plan benefits in substantially the same language and format as the following:

If the insured health plan **meets MCC** standards:

This health plan **meets Minimum Creditable Coverage standards** and **will satisfy** the individual mandate that you have health insurance. Please see page # for additional information.

If the plan **does not meet MCC** standards:

This health plan, alone, **does not meet Minimum Creditable Coverage standards** and **will not satisfy** the individual mandate that you have health insurance. Please see page # for additional information.

In addition, the following disclosure shall be placed within the body of the policy, certificate, or schedule of benefits in substantially the same language and format:

MASSACHUSETTS REQUIREMENT TO PURCHASE HEALTH INSURANCE:

As of January 1, 2009, the Massachusetts Health Care Reform Law requires that Massachusetts residents, eighteen (18) years of age and older, must have health coverage that meets the Minimum Creditable Coverage standards set by the Commonwealth Health Insurance Connector, unless waived from the health insurance requirement based on affordability or individual hardship. For more information call the Connector at 1-877-MA-ENROLL or visit the Connector website (www.mahealthconnector.org).

In addition, if the health plan **meets MCC** standards, use substantially the following language:

This health plan **meets Minimum Creditable Coverage standards** that are effective [January 1, 2010 - *(carriers are to substitute applicable date)*] as part of the

Massachusetts Health Care Reform Law. If you purchased this plan, you **will satisfy** the statutory requirement that you have health insurance meeting these standards.

If the plan **does not meet MCC** standards, use substantially the following language either as a check list or as an inserted statement that identifies the requirement(s) not met by the health plan:

This health plan, alone, **does not meet Minimum Creditable Coverage standards** that are effective [January 1, 2010 - *(carriers are to substitute applicable date)*] as part of the Massachusetts Health Care Reform Law because *(carriers are to substitute applicable minimum creditable coverage standards as set by the Connector)*:

- The in-network deductible is more than $2,000 for an individual and/or $4,000 for a family.
- A broad range of medical benefits, as defined by the Connector, are not covered.
- Prescription drugs are not covered.
- The deductible for prescription drug coverage is more than $250 for an individual and/or $500 for a family.
- The health plan includes deductibles or coinsurance for in-network core services, but does not include an out-of-pocket maximum.
- The health plan includes deductibles or coinsurance for in-network core services, but the out-of-pocket maximum is more than $5,000 for an individual and/or $10,000 for a family.
- The health plan includes deductibles or coinsurance for in-network core services, but the out-of-pocket maximum does not include one or more of the following for in-network services: copayments over $100, coinsurance, or deductibles.
- The health plan imposes an overall annual maximum benefit or a per illness annual maximum benefit for covered core services.
- A fee schedule is imposed on indemnity benefits for in-network covered services.
- The deductible for in-network benefits does not exclude the required minimum of three preventive care visits for individual coverage and six preventive care visits for all other coverage types (i.e., two-person, individual plus child, family).
- The preventive care visit co-payments or co-insurance is greater than the co-payment or co-insurance applied to primary care or routine physician office visits.

- [*for plans issued or renewed on or after January 1, 2011*] The prescription drug coverage has an annual dollar limit on the amount of drug coverage provided to an insured.

If you purchased this health plan only, **you will not satisfy** the statutory requirement that you have health insurance meeting these standards.

If this health plan is offered to you through your place of employment, contact your employer or other plan sponsor to determine if it offers other health plan options that meet Minimum Creditable Coverage standards. Your employer or other plan sponsor also may offer supplemental plans you can add to this insured health plan in order to meet Minimum Creditable Coverage.

If this health plan is not offered to you through your place of employment and you want to learn about other health plan options available to individuals, you may contact the Division of Insurance by calling (617) 521-7794 or visiting its website at www.mass.gov/doi, or the Connector by calling 1-877-MA-ENROLL or visiting its website at www.mahealthconnector.org.

The required disclosure also must include the following in substantially the same language and format:

THIS DISCLOSURE IS FOR MINIMUM CREDITABLE COVERAGE STANDARDS THAT ARE EFFECTIVE [JANUARY 1, 2010 *(carriers are to substitute applicable date)*]. BECAUSE THESE STANDARDS MAY CHANGE, REVIEW YOUR HEALTH PLAN MATERIAL EACH YEAR TO DETERMINE WHETHER YOUR PLAN MEETS THE LATEST STANDARDS.

For accident only and hospital indemnity policies/certificates

For an insured accident and sickness plan that is not considered a "health plan" according to M.G.L. c. 176N, but is an accident only policy or a hospital indemnity insurance policy, the following disclosure notice must be included on the face or the first page of the text of the policy or certificate or on any required notice submitted with the product in substantially the same language and format:

This policy, alone, **does not meet Minimum Creditable Coverage standards** and **will not satisfy** the individual mandate that you have health insurance. Please see page # for additional information.

In addition, the following disclosure shall be placed within the body of the policy, certificate, or any required notice submitted with the product in substantially the same language and format:

As of January 1, 2009, the Massachusetts Health Care Reform Law requires that Massachusetts residents, eighteen (18) years of age and older, must have health coverage that meets the Minimum Creditable Coverage standards set by the Commonwealth Health Insurance Connector, unless waived from the health insurance requirement based on affordability or individual hardship. For more information call the Connector at 1-877-MA-ENROLL or visit the Connector website (www.mahealthconnector.org).

This plan is not intended to provide comprehensive health care coverage and **does not meet Minimum Creditable Coverage standards**, even if it does include services that are not available in the insured's other health plans.

For all other health policies/certificates

For credit-only, limited scope vision or dental benefits if offered separately, disability income insurance, insurance arising out of a workers' compensation law or similar law, automobile medical payment insurance, insurance under which benefits are payable with or without regard to fault and which is statutorily required to be contained in a liability insurance policy or equivalent self insurance, long-term care if offered separately, coverage issued as a supplement to liability insurance, specified disease insurance that is purchased as a supplement and not as a substitute for a health plan, coverage supplemental to the coverage provided under 10 U.S.C. 55 if offered as a separate insurance policy, or any policy under chapter 176K, no minimum creditable coverage statement is required.

If there are any questions regarding this bulletin, please contact the Division of Insurance at (617) 521-7794.