

Affordable Care Act
Implementation Update
April 17, 2013

The purpose of this document is to provide insurers doing business in Kentucky with guidance from the Department of Insurance (DOI) for implementing the Affordable Care Act. This Implementation Update is not legally binding on the Department or the reader. The ultimate authority for the interpretation of the Affordable Care Act lies with the Department of Health and Human Services.

Frequently Asked Questions #1

- 1) Can companies file amendments to their policies in order to come into compliance with the Affordable Care Act (ACA) requirements?

No, due to the numerous changes being brought on by the ACA, Kentucky will require that all submissions for ACA compliance be complete form filings. We may allow amendments to be filed going forward. However, in order to provide an efficient, timely and effective review of form filings submitted for approval, the Department needs a single baseline form for the initial transition to the new ACA compliant policies.

- 2) Will pediatric vision and prescription drug riders be approved for use inside the exchange? Kentucky defines a rider as an optional benefit with an additional premium.

No, pediatric vision and prescription drugs cannot be offered as riders. The Department considers the term "rider" to mean an optional benefit for which a separate premium is charged. As pediatric vision and prescription drugs are considered essential health benefits, they cannot be offered as riders. As an alternative, the Department will allow separate schedules included with the health benefits.

- 3) Is variability allowed within the schedule of benefits?

No, variability will not be allowed in the schedule. Each schedule and rate must have its own individual Health Insurance Oversight System (HIOS) identification number (Standard Component ID). This process would not allow for variability.

- 4) What is the process in Kentucky for discontinuance of products?

The process for discontinuing products is set forth in [KRS 304.17A-240](#). Additionally, the Department has developed a form that provides guidance on information the Department routinely considers when a request for product discontinuance is received. While the form is not required to be submitted with the request, providing the information on the form with the request will help to ensure a more timely review.

- 5) Are companies required to have conversion policies?

Yes, [KRS 304.18-114](#) requires an insurer providing group health insurance coverage to offer a conversion policy to any group member who is terminated under the group policy. The statutory requirement to offer a conversion policy is not pre-empted by the provisions of the Affordable Care Act. However, because conversion policies are considered to be health benefit plans and because they must be substantially similar to the group policy, conversion policies must comply with the provisions of the Affordable Care Act.

- 6) Are companies required to have continuation policies?

Yes, [KRS 304.18-110](#) provides persons insured under the group policy to continue coverage for themselves and any dependents. This statutory right is not pre-empted by the provisions of the Affordable Care Act. Continuation policies must comply with the provisions of the Affordable Care Act.

- 7) What is the Binder submission deadline?

The Binder is a new component of System for Electronic Rate and Form Filing (SERFF) that will consolidate, through a series of data templates, the data elements for a specific plan that are required by Center for Consumer Information and Insurance Oversight (CCIIO). Because this component of SERFF became available to insurers on March 29, 2013, the Department is requesting that Binders be submitted no later than May 1, 2013.

- 8) Does the Actuarial Value Calculator data have to be filed for each metal level?

Yes, the Actuarial Value Calculator must be filed for each metal level for both Exchange and non-Exchange products.

- 9) Do insurers need to register in the HIOS system?

Yes, insurers are required to have a HIOS issuer ID, product ID and plan ID (standard component). The plan and product IDs are for each individual plan and product.

- 10) Will The Department have any additional training?

No additional trainings have been scheduled at this time. However, the Department will continue to update this document as implementation questions are received.

Additional References

SERFF HIX: This is where you can get information on training for submission of the Binder. You will need to scroll down to the bottom of the page and click on link for industry. [Health Insurance Exchange Plan Management \(HIX\)](#)

SERFF: [System for Electronic Rate and Form Filing](#)

Kentucky Exchange link: [Kentucky Health Benefit Exchange Home](#)

CCIIO: [Center for Consumer Information and Insurance Oversight | cciio.cms.gov](#)

HIOS: [HIOS Rules of Behavior - Health Insurance Oversight System](#)