

Lawrence Ford
Director
Government Relations

Anthem Blue Cross and Blue Shield
13550 Triton Park Blvd.
Louisville, KY 40223



November 22, 2013

Hon. Sharon Clark
Commissioner, Kentucky Department of Insurance
215 West Main Street
Frankfort, KY 40601

Dear Commissioner Clark:

I write today with respect to your request for companies operating in Kentucky to inform the Kentucky Department of Insurance whether we will allow existing members to extend their current health benefit plans at their scheduled discontinuance in 2014 for another 12 months as authorized by President Obama and Governor Beshear.

Since the passage of the Affordable Care Act in March 2010, Anthem has made significant capital and resource investments to improve existing systems and to build new systems and operational capabilities to position the company to meet ACA requirements. A substantial and critical component of the ACA requires health benefit plans be configured with "essential health benefits" and within prescribed rating requirements to enable consumers to better compare benefits and prices. Anthem has worked diligently over the course of the past three years to develop products in accordance with these requirements that best respond to our members' health care needs. The effort to get us to this point has been enormous, and quite frankly has involved operational and IT resources that serve all 14 states where we operate Blue Cross and Blue Shield plans.

The ACA affords many small businesses and individuals their first opportunity ever to purchase health insurance in the private market, and Anthem is pleased to be participating on the Kentucky Health Benefit Exchange (KYNect) where federal financial assistance may be available to assist them in purchasing this coverage. Recognizing Kentucky has its own set of insurance statutes and regulations and our consumers have choices, we began steps to allow our customers who want to keep their current plans further into next year an option to renew their existing plan with an effective date of December 1, 2013. This would ensure our members have through November 30, 2014 to shop and compare their options before making decisions about their health plan.

We also understand the Governor's desire to give consumers more time to make informed choices to best meet their health care needs. Therefore, we are extending to December 15, 2013 the deadline for any small group or individual to early renew effective December 1, 2013 their current plan through November 2014.

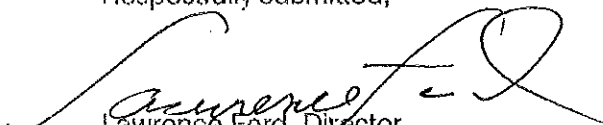
Hon. Sharon Clark
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Because we will be extending the deadline for early renewals, Anthem will not extend non-ACA compliant plans once the insurance reforms of the ACA take effect January 1, 2014.

Anthem will continue to be an essential player when it comes to establishing and maintaining a vibrant health care marketplace. The implementation of the ACA is an extraordinary opportunity for the uninsured and those who struggle to afford coverage.

We look forward to continued collaboration with all of our partners in the public and private sector, so that health care coverage works for all Kentuckians.

Respectfully submitted,



Lawrence Ford, Director
Government Relations

cc: Deb Moessner, President
Melissa Metzger, Counsel

From: Julie.Hix@assurant.com [mailto:Julie.Hix@assurant.com]

Sent: Friday, November 22, 2013 05:45 PM

To: Woods, Maggie (PPC)

Subject: Plan extension

Maggie,

Although it is the company's intention to extend coverage our confirmation is pending further clarification on issues such as the use of the CMS letters, discontinuance notices (will KY waive this requirement) as we believe will still be required based on the CMS guidance and the implementation of coverage extension. As we discussed during our call the Department needed further time to review the CMS model notices and as we understood there was a meeting between the states and CMS this afternoon and therefore thought there might be some additional clarifications on next steps. Would you have time to discuss on Monday morning?

We understand from at least one state, that CMS said that if the carrier renewed (or rewrote) the plan year in 2013 to expire December 2014 then the model notices would not be needed. We want to verify with KY their interpretation.

Also, I believe the Department asked for total numbers of groups/individuals that were scheduled to be discontinued. I've attached a spreadsheet for your information.

Julia Hix-Royer
Vice President Assurant Regulatory Compliance
and Assurant Health Compliance Officer
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Bluegrass Family Health

November 22, 2013

Commissioner, Sharon Clark
Kentucky Department of Insurance
P.O. Box 517
Frankfort, KY 40601

RE: Notice to Commissioner of Business Decision

Dear Commissioner Clark:

Bluegrass Family Health has closely reviewed the President's transitional policy, communications released from the Center for Consumer Information & Insurance Oversight, the Implementation Plan for Transitional Policies issued by the Kentucky Department of Insurance, and current Bluegrass Family Health business processes. After much consideration Bluegrass Family Health has made the following business decisions:

President's Transitional Policy

Bluegrass Family Health has determined we will not allow small employer groups to continue coverage that is to be terminated or cancelled for not meeting all requirements of the Affordable Care Act beginning January 1, 2014. All Bluegrass Family Health benefit plans beginning January 1, 2014 will comply with the required provisions of the Affordable Care Act and thus small employer groups covered by Bluegrass Family Health will not be permitted to re-enroll in non-compliant coverage for plan years beginning January 1, 2014.

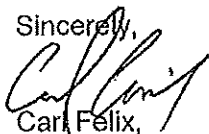
Bluegrass Family Health has calculated the number of covered lives impacted by this business decision to be 4,236. The number of lives was calculated based on the number of lives represented by each small employer group with a renewal date between January 1, 2014 and October 1, 2014 minus those lives covered by small employer groups that have elected an early renewal option.

Early Renewals

Bluegrass Family Health has determined we will not withdraw or rescind any early renewals already confirmed by a small employer group. Bluegrass Family Health will continue to accept any new requests for early renewals that may be submitted from or on behalf of a small employer group with an effective date prior to January 1, 2014.

If you have any questions or need any additional information, you may contact Jessica Kearney, Director of Regulatory Compliance directly at (859) 268-5332 or via email at Jessica.Kearney@bgfh.com.

Sincerely,



Carl Felix,
Chief Operating Officer

Humana.

November 25, 2013

Commissioner Sharon Clark
215 West Main Street
Frankfort, Kentucky 40601

Re: Humana Implementation Plan for Transitional Policies

Dear Commissioner Clark:

This letter constitutes notice of Humana's business decisions regarding the recently announced transitional policy under the Affordable Care Act, as clarified by the Kentucky Department of Insurance.

In general, we support the extension of coverage under the President's transitional relief program for our individual business and small group business. We look forward to discussing details of how best to implement this policy with the Department in the coming days.

For Humana's small group (2-50) segment, our business decision is to rescind the plan discontinuance notices for those non-grandfathered plans that previously received (or were scheduled to receive) such notices. A total of 32,071 non-grandfathered small group plans did or would have received a plan discontinuance notice. Separately, Humana also has 6,976 grandfathered plans, which are not impacted by this transitional policy.

For Humana's individual market segment, our business decision is to reverse the original plan amendment extending coverage, and reinstate the original renewal date for all members qualifying under the transitional policy. Humana has 8,880 non-grandfathered policyholders eligible for the original plan amendment. Grandfathered plans were not impacted by this transitional policy.

All options described in this letter will be conducted in a uniform manner.

Sincerely,



Kelli Rodman
Regional Director, Public Affairs
Humana Inc.

HIGHLY CONFIDENTIAL & PROPRIETARY BUSINESS INFORMATION - FOIA CONFIDENTIAL TREATMENT
REQUEST - PROTECTED BY 5 U.S.C. § 552 (b)(4) - DO NOT DISSEMINATE

From: Hampton, Michael <michael_hampton@uhc.com>
Sent: Friday, November 22, 2013 4:49 PM
To: Wasson, D J (PPC); Mitchell, Jill (PPC)
Subject: RE: Transitional Policies
Attachments: NGF-0813_Final modified for 10 1 PY change (5).pdf; GRIC SA-S-9-16N PY.KY.DOC

DJ and Jill--In response to the Kentucky Department's guidance that we submit our Business Plan related to the Transitional Relief offered by President Obama, we provide the following:

1. Allsavers Insurance Company, UnitedHealthcare of Kentucky, UnitedHealthcare of Ohio and UnitedHealthcare Insurance Company plan to offer transitional relief to small employers. Our intent would be to provide small group policyholders renewing between January 1 and October 1, 2014, the option to renew into their existing plans. Our renewal pricing for these transitional relief groups will be based on our rates and rating methodology currently in effect for grandfathered plans. Our intent is to submit rates to KY for small group transitional plans to be applied for existing small group renewing between January 1 and October 1. Our decision to move forward with offering transitional plans in the small group market in KY is contingent on approval by the KY DOI of rates we believe adequately addresses the risk for this population. These decisions will be done in a uniform manner, without regard to health status. Transitional relief groups are a separate category from traditional grandfathered groups. We will submit to you a copies of our notices by November 26 as you have requested. This transitional guidance could potentially impact just less than 900 groups and just over 12,500 members (i.e., this represents our total current small group population - we cannot project with certainty who will elect to proceed with transitional relief or move to fully ACA compliant plan in 2014. We will submit any necessary rate filings by the deadline of December 15, 2013.

2. Golden Rule Insurance also plans to offer transitional relief to our members in the individual health insurance market. Golden Rule Insurance plans to send the attached letter to our non-grandfathered individual market plans that were effective October 1, 2013 and prior. These decisions will be done in a uniform manner, without regard to health status. Golden Rule currently has 853 plans in force, with 1449 members that would be affected. We would plan to mail the letters on or after December 15, 2013, provided that we are comfortable that any state or federal guidance on the matter is complete. Additionally, we will submit the variable language included in the attached form, SA-S-9-16N for certification through SERFF, by the December 1, 2013 deadline.

Thank you in advance for your consideration of all forms, rates and letters that will be submitted in the near future. If you have any questions or concerns, please feel free to reach out to me at any of the numbers listed below.

Mike Hampton
Director, Regulatory Affairs
UnitedHealthcare Employer and Individual
7440 Woodland Dr
Indianapolis, IN 46278
317-715-7056