OHIO DEPARTMENT OF INSURANCE
STATE OF OHIO

BULLETIN 2011-04

WAIVER OF ANNUAL LIMIT RESTRICTIONS

Effective January 7, 2011

The Patient Protection and Affordable Care Act (P.L. 111-148) ("PPACA") signed March 23, 2010, as amended, added Section 2711 of the Public Health Service Act, which prohibits annual dollar limits on essential benefits in non-grandfathered individual policies containing annual limits of less than $750,000, effective for policy years beginning on and after September 23, 2010 and prior to September 23, 2011. Related federal regulations describing the particulars can be found at 26 CFR 54.9815-2711T29 CFR 2590.715-2711, and 45 CFR 147.126. The federal government invited carriers and states to apply for a waiver of the annual limit restriction with respect to "mini-med" policies when the application of the restriction in connection with PPACA mandates could be demonstrated to cause significant decrease in access to benefits or a significant increase in premiums.

Based on guidance from the United States Department of Health and Human Services, Office of Consumer Information and Insurance Oversight ("OCIIO"), the Ohio Department of Insurance ("Department") requested and has received a waiver of this requirement for the basic and standard policy forms used for the open enrollment program under Revised Code ("R.C.") sections 3923.58 and 3923.581 and for conversion policies under R.C. 3923.122 and 1751.16. This waiver is valid until September 23, 2011. None of the other provisions of PPACA are the subject of this waiver.

Policies or contracts issued or renewed on or after September 23, 2011 will require a separate waiver request by the Department. The minimum annual limit at that time will be $1.25 million. Another waiver request will be necessary for policy years beginning on and after September 23, 2012 up until January 1, 2014, when the insurance exchange will be operative, and the minimum annual limit at that time will be $2 million.

Carriers subject to open enrollment under the above statutes, as well as carriers using the basic and standard policies for a conversion policy, must offer PPACA-compliant basic and standard policies both with and without the annual limit restrictions, to provide applicants with a choice of benefit levels. Please refer to the SERFF filing guidelines for additional information on both grandfathered and non-grandfathered policy forms.

The PPACA-compliant policy form outlines for non-grandfathered plans are on the Department's website at www.insurance.ohio.gov.

Mary Jo Hudson
Superintendent

50 W. Town Street, 3rd Floor, Suite 300
Columbus, Ohio 43215