

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LT. GOVERNOR



CATHERINE P. AWAKUNI COLÓN  
DIRECTOR


GORDON I. ITO  
INSURANCE COMMISSIONER

STATE OF HAWAII  
INSURANCE DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS  
P. O. BOX 3614  
HONOLULU, HAWAII 96811-3614  
335 MERCHANT STREET, ROOM 213  
HONOLULU, HAWAII 96813  
PHONE NO. (808) 586-2790  
FAX NO. (808) 586-2806  
cca.hawaii.gov/ins

April 20, 2018

MEMORANDUM 2018-2H

TO: All Health Insurance Companies, Mutual Benefit Societies, and Health Maintenance Organizations Authorized to Write Health Insurance in Hawaii

FROM: Gordon I. Ito, Insurance Commissioner 

SUBJECT: Extension of Transitional Policy through Calendar Year 2019

The State of Hawaii elects to adopt the Centers for Medicare and Medicaid Services extension of transitional policy for non-grandfathered health insurance coverage in both the individual and small group markets.<sup>1</sup> This extended transitional policy covers policy years beginning on or before October 1, 2019, so long as policies end by December 31, 2019.<sup>2</sup>

### Background

On November 14, 2013, the Centers for Medicare and Medicaid Services (CMS) announced federal guidelines under which insurers could offer reenrollment in health benefit plans facing cancellation as a result of the 2014 reforms under the Affordable Care Act.<sup>3</sup> The guidelines allowed State authorities to permit health insurers with small group and individual policies that were in effect on October 1, 2013, to be renewed for a policy year starting between January 1, 2014, and October 1, 2014. Transitional or “Grand-Mothered” plans are **only** available to business or individuals enrolled prior to October 1, 2013.

---

<sup>1</sup> CMS “Insurance Standards Bulletin Series- INFORMATION- Extension of Transitional Policy through 2019” (April 9, 2018), available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-Through-CY2019.pdf>.

<sup>2</sup> Id.

<sup>3</sup> CMS “Letter to State Insurance Commissioners” (Nov. 14, 2013, available at <https://www.cms.gov/CCIIO/Resources/Letters/Downloads/commissioner-letter-11-14-2013.pdf>).

On March 5, 2014, CMS granted a two-year extension for transitional plans, requiring policies to end by October 1, 2016.<sup>4</sup>

On February 29, 2016, CMS granted an extension for transitional policies beginning on or before October 1, 2017, provided that the policies ended by December 31, 2017.<sup>5</sup>

On February 23, 2017, CMS granted an extension for transitional policies beginning on or before October 1, 2018, provided that the policies end by December 31, 2018.<sup>6</sup>

#### CMS Extension through December 31, 2019

On April 9, 2018, CMS granted an extension for transitional policies beginning on or before October 1, 2019, provided that the policies end by December 31, 2019.<sup>7</sup>

**The State of Hawaii elects to adopt the extension for both the individual and small group markets.** Therefore, insurers in the individual and small group market may renew transitional policies beginning on or before October 1, 2019, so long as these policies end by December 31, 2019.

Transitional Plans are only available to small business or individuals enrolled prior to October 1, 2013.

If you have any question, please e-mail [ihealth@dcca.hawaii.gov](mailto:ihealth@dcca.hawaii.gov).

---

<sup>4</sup> CMS “Insurance Standards Bulletin Series – Extension of Transitional Policy through October 1, 2016” (Mar. 5, 2014), available at <https://www.cms.gov/ccio/resources/regulations-and-guidance/downloads/transition-to-compliant-policies-03-06-2015.pdf>.

<sup>5</sup> CMS “Insurance Standards Bulletin Series – INFORMATION – Extension of Transitional Policy through Calendar Year 2017” (Feb. 29, 2016), available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/final-transition-bulletin-2-29-16.pdf>.

<sup>6</sup> CMS “Insurance Standards Bulletin Series – INFORMATION – Extension of Transitional Policy through Calendar Year 2018” (Feb. 23, 2017), available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-CY2018.pdf>.

<sup>7</sup> CMS “Insurance Standards Bulletin Series- INFORMATION- Extension of Transitional Policy through 2019” (April 9, 2018), available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Extension-Transitional-Policy-CY2018.pdf>.