

DEPARTMENT OF INSURANCE

September 22, 2010

Bulletin 181

Open Enrollment Period for Children under Age 19

This bulletin is directed to all insurers writing policies of accident and sickness insurance, as defined by [IC 27-8-5-1](#), and all health maintenance organizations, as defined by [IC 27-13-1-19](#) (collectively, Health Insurers). The Affordable Care Act (ACA) section 2704 prohibits certain Health Insurers, including those writing individual coverage and group coverage, from imposing preexisting condition exclusions, as defined by regulation, on children under the age of 19. The ACA prohibition applies on the first plan or policy year on or after September 23, 2010. The law does not affect individual plans that existed on or before March 23, 2010, and are thereby grandfathered under ACA but does apply to group grandfathered plans. This bulletin is intended to provide guidelines for implementation of the new prohibition.

Health Insurers that issue individual health policies covering individuals under the age of 19 (Under Age 19 Coverage) have questioned whether ACA requires them to offer Under Age 19 Coverage without preexisting condition exclusions year-round, which would enable adverse selection by allowing a person to wait until he or she actually has a condition requiring medical care before purchasing health insurance. Guidance from the U.S. Department of Health and Human Services allows Health Insurers offering Under Age 19 Coverage to offset such adverse selection risk by providing an open enrollment period during which individuals under the age of 19 can enroll without being underwritten for preexisting conditions. However, open enrollment can only be implemented as allowed by state law. The Department has determined that Indiana law allows such open enrollment periods if the requirements set forth below are met.

If a Health Insurer implements such an open enrollment period, individuals under the age of 19 must be provided coverage if they apply during the open enrollment period, and Health Insurers may only write Under Age 19 Coverage during the open enrollment period. An exception to this general rule occurs when an individual under the age of 19 experiences a Qualifying Event, as defined by HIPAA, outside of the open enrollment period.

The Department has determined that Health Insurers must comply with the following to implement open enrollment periods for Under Age 19 Coverage:

1. The open enrollment period must last at least 30 continuous days.
2. Health Insurers may designate the 30-day period during which they wish to hold open enrollment. The open enrollment period may be specific to a product or consistent throughout the entire company.
3. Health Insurers must notify the Department, no later than December 1, 2010, when the open enrollment period will be held.
4. The Department will post the open enrollment period for each Health Insurer on the Department's website at www.in.gov/idoi.
5. A Health Insurer that has designated an open enrollment period must post the open enrollment dates prominently on its website.
6. Effective dates of coverage for individuals applying during the open enrollment period must begin within a reasonable time after the open enrollment period.

Neither ACA nor Indiana law requires Health Insurers to offer child-only coverage. In addition, this bulletin does not prohibit a Health Insurer from allowing year-round open enrollment if the Health Insurer so chooses. Health Insurers offering year-round open enrollment must still notify the Department as required above and post such information on the Health Insurer's website.

Questions regarding this bulletin should be addressed to Robyn Crosson, Chief Deputy Commissioner of Health Care Reform for the Indiana Department of Insurance, who can be reached at (317) 234-6293 or rcrosson@idoi.in.gov. Answers to questions concerning the federal law can be found at:

<http://www.hhs.gov/ociio/regulations/children19/factsheet.html>

Indiana Department of Insurance

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