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DISCLOSURES BY SUPPLEMENTAL OR LIMITED HEALTH INSURANCE PLANS

The Patient Protection and Affordable Care Act[1] ("ACA") requires applicable individuals to have health insurance that contains minimum essential coverage.[2] For the group and individual markets, certain health insurance plans offered in Nevada may not meet the minimum essential coverage requirement. These plans are considered supplemental or limited health coverage, which could be confused with plans that provide minimum essential coverage. This Bulletin addresses filing and disclosure requirements for supplemental or limited health plans in order to minimize consumer confusion about whether these supplemental or limited health plans meet requirements of the ACA.[3]

Issuers of supplemental or limited health plans that do not meet the minimum essential coverage requirements must notify consumers as soon as practicable, but no later than March 15, 2014, via a clear, conspicuous, and understandable disclosure that the insurance coverage (1) does not constitute comprehensive health insurance coverage (often referred to as "major medical coverage"), and (2) that such coverage does not satisfy the individual mandate of the ACA because the coverage does not meet the requirements of minimum essential coverage. Issuers must also provide this disclosure at the time of solicitation and again at policy issuance or renewal. Issuers must file forms containing this disclosure with the Division of Insurance no later than February 1, 2014, and forms must be approved by February 28, 2014, for use beginning on March 1, 2014.

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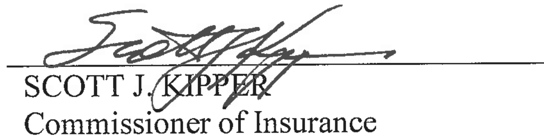
[1] The Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (Mar. 23, 2010) (codified as amended in scattered sections of 20, 21, 25, 26, 28, 29, 30, 36 & 42 U.S.C.).

[2] 26 U.S.C. § 5000A. "Minimum essential coverage" means a government-sponsored plan, an employer-sponsored plan, plans in the individual market, grandfathered plans, and other coverage set out in the ACA. 26 U.S.C. § 5000A(f). The term does not include excepted benefits. 26 U.S.C. § 5000A(f)(3); 42 U.S.C. §§ 300gg-21, -91.

[3] This Bulletin is issued to ensure that supplemental or limited health insurance plans properly disclose a significant exception, reduction, or limitation that applies to the policy. See Nev. Rev. Stat. §§ 689A.390, 689B.027, 689C.270, 695B.172 & 695C.193.

Supplemental or limited health plans include those plans commonly referred to as hospital indemnity or other fixed indemnity policies (e.g., hospital/surgical/medical expense policies and sickness policies), specified or "dread" disease policies, and other forms of excepted benefits coverage as specified by the ACA.

For questions or clarification with regard to this Bulletin, please contact the Life & Health Section at (888-872-3234) or insinfo@doi.nv.gov.



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