



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE
SMALL EMPLOYER HEALTH BENEFITS PROGRAM
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ADVISORY BULLETIN 10-SEH-06

November 22, 2010

To: SEH Program Member Carriers that Issue Coverage
SEH Program Interested Parties

From: Ellen DeRosa
Executive Director

Re: Adopted Amendments to the Standard Plans to Comply with State and Federal Law and Addition of Alternate Delivery System Language

From time to time, the Small Employer Health Benefits Program Board (SEH Board) finds it necessary and appropriate to revise the standard plans. Since the SEH Board's last modifications to the SEH standard plans and forms in 2009, a number of additional State and Federal laws have been enacted that have an impact upon the standard plans. These include:

- the Autism and Other Developmental Disability Mandate (P.L. 2009, c. 115)
- The Federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).
- The Federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended and supplemented by the Health Care and Reconciliation Act, Public Law 111-152 (PPACA),
- Minimum Standards for Health Benefits Plans, Prescription Drug Plans and Dental Plans (Minimum Standards (N.J.A.C. 11:22-5))

The SEH Board proposed amendments to comply with the law as well as language that would allow carriers to offer Exclusive Provider Organization plans. The comment period for the proposal expired and during the SEH Board meeting on November 17, 2010 the SEH Board adopted the amendments that were proposed to the standard health benefits plans.

2010 Forms

The text of the new forms is posted under the Latest News section on our website, http://www.state.nj.us/dobi/division_insurance/ihcseh/sehmain.htm.

Please note that information on proposals and adoptions can be found on our website at the following address

http://www.state.nj.us/dobi/division_insurance/ihcseh/sehrulesadoptions.htm

Timing

Given the nature and extent of the amendments to the standard plans, the SEH Board determined that the only means to implement the amendments will be for carriers to re-issue all inforce plans and issue new plans using the newly adopted standard plan language. Recognizing that modifications to issue systems take time the SEH Board established a delayed Operative Date of April 1, 2011 for carriers to begin to issue new plans and re-issue inforce plans using the amendment standard plans. If a carrier is ready to implement the amended standard plans prior to April 1, 2011 the carrier may begin to use the text earlier.

Impact on Ongoing Re-Issue of Plans

The SEH Board is aware that carriers have not yet concluded the re-issue of plans that was necessitated by the 2009 amendments that were adopted and Operative April 1, 2010. See Advisory Bulletin 09-SEH-03. The SEH Board subsequently allowed carriers until June 1, 2010 to begin re-issue of inforce plans to include the 2009 amendments.

In order to allow carriers to most efficiently proceed with the re-issue of the 2010 amendments by April 1, 2011, carriers may suspend the re-issue of the 2009 amendments. Employers that have not been issued the 2009 amendments must be issued the 2010 amendments.

Thus, if a carrier has not yet issued forms with the 2009 amendments to groups renewing in January, February, March, April, and May 2011 the carrier should not proceed to issue those forms with the 2009 amendments. Carriers must be prepared to issue forms with the 2010 amendments no later than April 1, 2011. As carriers begin issuing forms with the 2010 amendments (which must be no later than April 1, 2011), carriers must identify those groups that did not receive forms with the 2009 amendments and establish a process to issue forms promptly to those groups with the 2010 amendments.

Compliance with Law

The SEH Board recognizes that the policy form language supporting benefits required by State and Federal law may be first provided to the groups after the laws were effective for the groups. Since all of the standard SEH plans contain a Conformity with Law provision, carriers must administer the plans consistent with the requirements of the law even before the 2010 amendments are included in the plans issued to the groups.

Questions?

If you have any questions please send them by email to ellen.derosa@dobi.state.nj.us.