

News Alert: Healthcare Reform Final Rules Clarify Guarantee Issue Requirements February 25, 2013

HHS Releases Final Rule on Health Insurance Market, Rate Review

The U.S. Department of Health and Human Services released a [final rule](#) on Feb. 22 that implements key provisions of the Affordable Care Act (ACA), including the requirement to cover people with pre-existing conditions.

The final rule further implements five provisions of ACA that are applicable to non-grandfathered health plans:

- **Guaranteed Availability**
Individual and small group policies will be guaranteed available **at only open and special enrollment periods (and during their initial enrollment period)** in the individual market.
- **Health Insurance Premiums**
Health insurance companies offering coverage to individuals and small employers can vary premiums based on age, tobacco use, family size and geography. The rule implements the age rating at no greater than 3:1 and tobacco use rating at 1.5:1.
- **Guaranteed Renewability**
Health insurance companies must renew coverage subject to certain exceptions such as non-payment of premium.
- **Single Risk Pool**
Insurers are required to maintain a single statewide risk pool for claims experience in the individual market and single statewide risk pool for the small group market.
- **Catastrophic Plans**
Young adults and people for whom coverage would otherwise be unaffordable will have access to a catastrophic plan in the individual market.



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