

Publications

Ohio Department of Insurance Issues FAQs Regarding Bulletin 2020-03 Health Insurance Coverage Flexibility for Ohio Employees

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In response to the COVID-19 pandemic and Ohio Governor Mike DeWine's declaration of a state of emergency in Ohio (See [Executive Order 2020-01D](#)), the Ohio Superintendent of Insurance (the Superintendent) issued [Bulletin 2020-03](#) (Also see [Vorys March 25, 2020 Client Alert Regarding Bulletin 2020-03](#)) that ordered and directed all health plan issuers, including insurance companies, stop loss insurers, health insuring corporations, Multiple Employer Welfare Arrangements (MEWAs), non-federal governmental health plans, and other entities transacting the business of insurance in Ohio, or that are subject to the jurisdiction of the Superintendent (collectively Insurers), to comply with certain Employee Eligibility, Grace Period, Continuation of Coverage and Special Enrollment requirements during the state of emergency.

Based upon questions the Superintendent received regarding Bulletin 2020-03, the Superintendent has issued the following [FAQs](#):

2020-03 Q1: Who does the Bulletin apply to?

2020-03 A1: The Bulletin applies to fully-insured health insurance plans (these plans are typically purchased by a small employer) and to certain self-insured employers such as Multiple Employer Welfare Arrangements (MEWAs) and some non-federal governmental plans.

2020-03 Q2: Bulletin 2020-03 says that all Insurers are to give their insureds the option of deferring premium payments coming due, interest free, for up to 60 calendar days from each original premium due date— what does deferring premium mean?

2020-03 A2: This means Insurers should offer payment accommodations, such as allowing consumers to defer payments at no cost, extending payment due dates, or waiving late or reinstatement fees, where consumers are unable to make timely payments of premium or fees due to COVID-19-related disruptions.

2020-03 Q3: Bulletin 2020-03 says that all Insurers are to give their insureds the option of deferring premium payments coming due, interest free, for up to 60 calendar days from each original premium due date. Does this requirement apply to coverage in the individual market?

2020-03 A3: Bulletin 2020-03 pertains to policies issued to employers only. However, with respect to individual health insurance policies, federal law already provides for a 90 day premium payment grace period for those individual policy holders receiving a subsidy through the exchange. More information can be found [here](#). Additionally, certain health insurance companies may have specific grace period policies in place, and may be able to work with individuals regarding premium payments. Check with your specific insurer for details.

2020-03 Q4: Do the requirements outlined in Bulletin 2020-03 apply to health plans that are not major medical plans, such as supplemental-type or short-term-limited duration plans?

2020-03 A4: Yes, generally, the Bulletin applies to fully insured policies issued to employers reimbursing the costs of health care services under a health benefit plan – there is no exemption for supplemental type plans or short-term-limited-duration plans.

2020-03 Q5: Does Bulletin 2020-03 apply to private self-insured health plans?

2020-03 A5: No. The Bulletin does not apply to private self-insured plans except in certain situations like self-insured MEWAs and self-insured non-federal governmental health plans.

2020-03 Q6: Are Insurers permitted to pend claims during the 60 day premium payment grace period outlined in Bulletin 2020-03?

2020-03 A6: Generally, claims payment practices must be in compliance with Ohio law, including Ohio's prompt pay statutes.

2020-03 Q7: Are Insurers permitted to retro-actively cancel coverage if payment is not made at the conclusion of the 60 day grace period?

2020-03 A7: Insurers must comply with the terms of the policy issued to the employer, including any provisions applicable to retroactive termination or rescission at the conclusion of the grace period.

2020-03 Q8: Does the premium payment grace period apply to employees?

2020-03 A8: Bulletin 2020-03 is applicable to Insurers providing coverage to employer groups and only in those situations that the Ohio Department of Insurance has regulatory jurisdiction over the health plan. Whether an employer allows employees a grace period to pay insurance premiums would be up to the individual employer.

2020-03 Q9: Bulletin 2020-03 requires Insurers to provide a 60 day grace period, does that mean that an insurance policy cannot be canceled for any other reason?

2020-03 A9: No, nothing in the Bulletin should be construed as prohibiting an Insurer from cancelling or non-renewing a policy for any lawful reason other than nonpayment of premium.

Vorys is continuing to monitor the COVID-19 outbreak and related guidance to Insurers. If you have questions regarding Bulletin 2020-03, the related FAQs and its impact on your organization, please contact: Anthony Spina, Jolie Havens or Tom Szykowny.

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Vorys COVID-19 Task Force

Vorys is continuing to monitor the COVID-19 outbreak and related guidance to Insurers. In addition, Vorys attorneys and professionals are counseling our clients on a myriad of others issues related to the outbreak. We have established a comprehensive COVID-19 Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at [vorys.com/coronavirus](https://www.vorys.com/coronavirus).