

# COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN  
COMMISSIONER



OFFICE OF THE MONTANA  
STATE AUDITOR

---

## ADVISORY MEMORANDUM

---

**TO:** MONTANA HEALTH INSURER ISSUING MAJOR MEDICAL COVERAGE IN THE LARGE OR SMALL EMPLOYER GROUP MARKET

**FROM:** MONICA J. LINDEEN, Montana State Auditor  
Commissioner of Securities and Insurance

**DATE:** June 12, 2015

---

### TRANSITIONAL RENEWAL OF LARGE GROUP HEALTH PLANS FOR GROUPS WITH 51 TO 100 EMPLOYEES

---

This advisory memorandum is an addendum to the memorandum that was issued on November 25, 2013, regarding the Center for Medicaid & Medicare Services' (CMS's) November 14, 2013, guidance on renewal of 2013 "transitional" health plans. On March 5, 2014, CMS issued additional guidance that allows plans offered to employer groups that currently purchase coverage in the large group market but will be categorized as "small employer group" as of January 1, 2016, pursuant to Section 1304 (b) of the Patient Protection and Affordable Care Act (ACA), to continue as large group health plans if they meet certain criteria.

This transitional policy cannot be implemented unless the state allows it and the insurer decides to offer transitional relief. Montana will allow employers with 51 to 100 employees, or full-time equivalent employees, to be eligible for transitional renewal at the option of the insurer if the renewal date of the policy is no later than October 1, 2016. CMS's transitional policy ends on the first renewal after October 1, 2016.

A health insurer that chooses to offer this option to employer groups that meet these criteria must notify the CSI no later than June 30, 2015. If a health insurer chooses this transitional renewal option, it must offer transitional renewal to all of its large employer group policyholders with 51 to 100 employees. The group policyholder will choose whether to renew in 2016 as a large group or a small group. Health insurers may not "early renew" groups unless a specific request is made by the employer. Health insurers may choose this option even if they did not offer other transitional renewal options pursuant to the November 25, 2013, advisory memorandum.

If you have any questions, please contact Christina L. Goe, General Counsel, at [cgoe@mt.gov](mailto:cgoe@mt.gov) or 406-444-1942.