



# National Association of Health Underwriters

## State Level Individual and Small Group Market Health Insurance Reforms

### February 2009

| State                  | Individual Market Reforms |                  |                    |   |                           |                                   | Small-Group Market Reforms <sup>1</sup> |   |                           |
|------------------------|---------------------------|------------------|--------------------|---|---------------------------|-----------------------------------|---|---|---------------------------|
|                        | Guarantee Issue           | Rating Structure | Elimination Riders | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Credit for Prior Coverage | Medically Uninsurable Individuals | Size <sup>2</sup>                       | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Rating Structure          |
| Alabama                | No                        | NRS              | Yes                | 60/12   | No                        | HRP <sup>3</sup>                  | 2-50                                    | 6/12  | +/- 20%                   |
| Alaska                 | No                        | NRS              | Yes                | None  | No                        | HRP                               | 2-50                                    | 6/12  | +/- 35%                   |
| Arizona                | HIPAA <sup>4</sup>        | NRS              | Yes <sup>5</sup>   | None <sup>6</sup>   | No <sup>7</sup>           | None                              | 2-50                                    | 6/12  | +/- 60%                   |
| Arkansas               | No                        | NRS              | Yes                | 60-month Look-Back  | No                        | HRP                               | 2-50                                    | 6/12  | +/- 25%                   |
| California             | HIPAA <sup>8</sup>        | NRS              | No                 | 6/6 or 12/12 <sup>9</sup>   | Yes                       | HRP/GI <sup>10</sup>              | 2-50                                    | 6/6   | +/- 10%                   |
| Colorado <sup>11</sup> | No                        | NRS              | Yes                | 12/12   | Yes                       | HRP                               | 1-50 <sup>12</sup>                      | 6/12  | MCR <sup>13</sup>         |
| Connecticut            | No                        | NRS              | Yes                | 12/12   | No                        | HRP                               | 1-50 <sup>14</sup>                      | 6/12  | MCR <sup>15</sup>         |
| Delaware               | HIPAA <sup>16</sup>       | NRS              | Yes <sup>17</sup>  | 6/12 <sup>18</sup>  | No <sup>19</sup>          | None                              | 1-50 <sup>20</sup>                      | 6/12  | +/- 35%                   |
| Florida                | HIPAA <sup>21</sup>       | NRS              | Yes <sup>22</sup>  | 24/24 <sup>23</sup>   | Yes                       | HRP <sup>24</sup>                 | 1-50 <sup>25</sup>                      | 6/12  | MCR +/- 15% <sup>26</sup> |
| Georgia                | HIPAA <sup>27</sup>       | NRS              | Yes <sup>28</sup>  | 24-month Exclusionary Period <sup>29</sup>                        | No <sup>30</sup>          | None                              | 2-50                                    | 6/12  | +/- 25%                   |
| Hawaii                 | HIPAA <sup>31</sup>       | NRS              | Yes <sup>32</sup>  | 36-month  | No <sup>34</sup>          | None                              | 1-50 <sup>35</sup>                      | None  | NRS <sup>36</sup>         |

| State         | Individual Market Reforms |                      |                    |   |                           |                                   | Small-Group Market Reforms <sup>1</sup> |   |                       |
|---------------|---------------------------|----------------------|--------------------|---|---------------------------|-----------------------------------|---|---|-----------------------|
|               | Guarantee Issue           | Rating Structure     | Elimination Riders | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Credit for Prior Coverage | Medically Uninsurable Individuals | Size <sup>2</sup>                       | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Rating Structure      |
|               |                           |                      |                    | Exclusionary Period <sup>33</sup>                                 |                           |                                   |   |   |                       |
| Idaho         | GI <sup>37</sup>          | +/- 50%              | No                 | 6/12 <sup>38</sup>  | Yes                       | HRRP                              | 2-50                                    | 6/12  | +/- 50%               |
| Illinois      | No                        | NRS                  | Yes                | 12/24 <sup>39</sup>   | No                        | HRP                               | 2-50                                    | 6/12  | +/- 25%               |
| Indiana       | No                        | NRS                  | YES                | 12/24   | No                        | HRP                               | 2-50                                    | 6/9   | +/- 35%               |
| Iowa          | No                        | RB <sup>40</sup>     | Yes                | 12/12 and 60/12 <sup>41</sup>                                     | No <sup>42</sup>          | HRP                               | 2-50                                    | 6/12  | +/- 25%               |
| Kansas        | No                        | NRS                  | Yes                | 12/24   | No                        | HRP                               | 2-50                                    | 3/3   | +/- 25%               |
| Kentucky      | No                        | +/- 35%              | No                 | 6/12  | Yes                       | HRP                               | 2-50                                    | 6/12  | +/- 35%               |
| Louisiana     | No                        | NRS <sup>43</sup>    | Yes                | 12/12   | Yes                       | HRP                               | 3-35                                    | 6/12  | +/- 35%               |
| Maine         | GI <sup>44</sup>          | MCR <sup>45</sup>    | No                 | 6/12  | Yes                       | GI                                | 2-50                                    | 6/12  | MCR <sup>46</sup>     |
| Maryland      | No                        | NRS                  | Yes                | 4/24  | No                        | HRP                               | 1-50 <sup>47</sup>                      | 0/0   | MCR <sup>48</sup>     |
| Massachusetts | GI <sup>49</sup>          | MCR <sup>50</sup>    | No                 | 6/6   | Yes                       | GI                                | 1-50 <sup>51</sup>                      | 6/6   | MCR <sup>52</sup>     |
| Michigan      | GI <sup>53</sup>          | CR/NRS <sup>54</sup> | No                 | 6/6 and 6/12 <sup>55</sup>  | No                        | CLR <sup>56</sup>                 | 2-50 <sup>57</sup>                      | 6/12  | +/- 45% <sup>58</sup> |
| Minnesota     | No                        | RB <sup>59</sup>     | No                 | 0 <sup>60</sup>   | Yes                       | HRP                               | 2-50                                    | 6/12  | +/- 25%               |
| Mississippi   | No                        | NRS                  | Yes                | 12/12   | No                        | HRP                               | 1-50 <sup>61</sup>                      | 6/12  | +/- 25%               |
| Missouri      | No                        | NRS                  | Yes <sup>62</sup>  | Unlimited/24 <sup>63</sup>  | No <sup>64</sup>          | HRP                               | 2-50 <sup>65</sup>                      | 6/12  | +/- 35%               |
| Montana       | No                        | NRS                  | Yes                | 36/12   | Yes                       | HRP                               | 2-50                                    | 6/12  | +/- 25%               |
| Nebraska      | No                        | NRS                  | Yes                | None  | No                        | HRP                               | 2-50                                    | 6/12  | +/- 25%               |
| Nevada        | HIPAA <sup>66</sup>       | +/- 50%              | Yes <sup>67</sup>  | None <sup>68</sup>  | Yes                       | None                              | 2-50                                    | 6/12  | +/- 25%               |
| New Hampshire | No                        | RB                   | Yes                | 3/9   | Yes                       | HRP                               | 2-50                                    | 6/12  | MCR <sup>69</sup>     |
| New Jersey    | GI <sup>70</sup>          | MCR <sup>71</sup>    | No                 | 6/12  | Yes                       | GI                                | 2-50                                    | 0/0 or 6/6 <sup>72</sup>  | MCR <sup>73</sup>     |
| New Mexico    | No                        | NRS                  | Yes                | 6/6   | Yes                       | HRP                               | 2-50                                    | 6/6   | +/- 25%               |

| State          | Individual Market Reforms |                    |                    |   |                           |                                   | Small-Group Market Reforms <sup>1</sup> |   |                    |
|----------------|---------------------------|--------------------|--------------------|---|---------------------------|-----------------------------------|---|---|--------------------|
|                | Guarantee Issue           | Rating Structure   | Elimination Riders | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Credit for Prior Coverage | Medically Uninsurable Individuals | Size <sup>2</sup>                       | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Rating Structure   |
| New York       | GI <sup>74</sup>          | MCR <sup>75</sup>  | No                 | 6/12  | Yes                       | GI                                | 2-50                                    | 6/12  | CR <sup>76</sup>   |
| North Carolina | HIPAA <sup>77</sup>       | NRS                | Yes <sup>78</sup>  | 12/12 <sup>79</sup>   | Yes                       | HRP <sup>80</sup>                 | 1-50 <sup>81</sup>                      | 6/12  | +/- 20%            |
| North Carolina | HIPAA <sup>82</sup>       | NRS                | Yes <sup>83</sup>  | 12/12 <sup>84</sup>   | Yes                       | CLR <sup>85</sup>                 | 1-50 <sup>86</sup>                      | 6/12  | +/- 20%            |
| North Dakota   | No                        | RB                 | No                 | 6/12  | Yes                       | HRP                               | 2-25                                    | 6/12  | +/- 35%            |
| Ohio           | HIPAA <sup>87</sup>       | NRS <sup>88</sup>  | Yes                | 6/12  | Yes                       | OE <sup>89</sup>                  | 2-50                                    | 6/12  | +/- 35%            |
| Oklahoma       | No                        | NRS <sup>90</sup>  | Yes                | None <sup>91</sup>  | No                        | HRP                               | 2-50                                    | 6/12 <sup>92</sup>  | +/- 25%            |
| Oregon         | GI <sup>93</sup>          | MCR <sup>94</sup>  | Yes                | None <sup>95</sup>  | Yes                       | HRP                               | 2-25                                    | 6/12  | MCR <sup>96</sup>  |
| Pennsylvania   | HIPAA <sup>97</sup>       | NRS                | Yes <sup>98</sup>  | 60/36 <sup>99</sup>   | No <sup>100</sup>         | CLR <sup>101</sup>                | 2-50 <sup>102</sup>                     | 6/12  | NRS <sup>103</sup> |
| Rhode Island   | GI <sup>104</sup>         | NRS                | Yes <sup>105</sup> | 36/12 <sup>106</sup>  | No <sup>107</sup>         | CLR <sup>108</sup>                | 1-50 <sup>109</sup>                     | 6/12  | MCR <sup>110</sup> |
| South Carolina | No                        | NRS                | Yes                | 12/12 and unlimited/24 <sup>111</sup>                             | No                        | HRP                               | 2-50                                    | 6/12  | +/- 25%            |
| South Dakota   | No                        | +/- 30%            | Yes                | 12/12   | Yes                       | HRP                               | 2-50                                    | 6/12  | +/- 25%            |
| Tennessee      | HIPAA <sup>112</sup>      | NRS                | Yes <sup>113</sup> | None <sup>114</sup>   | No <sup>115</sup>         | None <sup>116</sup>               | 2-50                                    | 6/12  | +/- 35%            |
| Texas          | No                        | NRS                | Yes                | 60/24 <sup>117</sup>  | Yes <sup>118</sup>        | HRP                               | 2-50                                    | 6/12  | +/- 25%            |
| Utah           | GI <sup>119</sup>         | +/- 30%            | Yes                | 6/12  | No                        | HRP                               | 2-50                                    | 6/12  | +/- 30%            |
| Vermont        | GI <sup>120</sup>         | MCR <sup>121</sup> | No                 | 9/12  | Yes                       | GI                                | 2-50                                    | 6/12  | MCR <sup>122</sup> |
| Virginia       | HIPAA <sup>123</sup>      | NRS                | Yes <sup>124</sup> | 12/12 <sup>125</sup>  | No <sup>126</sup>         | CLR <sup>127</sup>                | 2-50                                    | 6/12  | NRS <sup>128</sup> |
| Washington     | GI <sup>129</sup>         | MCR <sup>130</sup> | No                 | 6/12  | Yes                       | HRP                               | 2-50                                    | 6/12  | MCR <sup>131</sup> |
| West Virginia  | No                        | +/- 30%            | Yes                | 12/24   | No                        | HRP                               | 2-50                                    | 6/12  | +/- 30%            |
| Wisconsin      | No                        | NRS                | Yes                | 24-month Exclusionary Period                                      | No                        | HRP                               | 2-50                                    | 6/12  | +/- 30%            |

| State   | Individual Market Reforms |                  |                    |   |                           |                                   | Small-Group Market Reforms <sup>1</sup> |   |                  |
|---------|---------------------------|------------------|--------------------|---|---------------------------|-----------------------------------|---|---|------------------|
|         | Guarantee Issue           | Rating Structure | Elimination Riders | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Credit for Prior Coverage | Medically Uninsurable Individuals | Size <sup>2</sup>                       | Preexisting Conditions (Look-Back/ Exclusionary Period in Months) | Rating Structure |
| Wyoming | No                        | NRS              | Yes                | 6/12  | Yes                       | HRP                               | 2-50                                    | 6/12  | +/- 35%          |

### Explanation of Abbreviations

#### *Individual Market Reforms*

**Guarantee Issue**—GI=Guarantee issue required; and HIPAA=People exercising their group-to-individual portability rights under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) must be guarantee-issued products in the traditional individual market.

**Rating Structure**—NRS=No rating structure. Medical underwriting allowed without restriction; RB=Rate bands; CR=Community rated; MCR=Modified community rated; and +/- X%=Rate bands of plus or minus the specified percentage of the indexed rate.

**Medically Uninsurable Individuals**—HRP=High-risk health insurance pool; HRRP=High-risk reinsurance pool; None=No mechanism for providing individual market access to medically uninsurable people; CLR=Carrier of last resort; OE=Open enrollment; and GI=Guarantee-issue.

#### *Small-Group Market Reforms*

**Rating Structure**—+/- X%=Rate bands of plus or minus the specified percentage of the indexed rate; NRS=No rating structure; CR=Community rated; and MCR=Modified community rated.

<sup>1</sup> In addition to the reforms noted, as per the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), all health insurance contracts for employer-groups of 2-50 employees must be issued on a guarantee-issue basis. All group insurance contracts must also be guarantee-renewable, unless there is

---

non-payment of premium, the employer has committed fraud or intentional misrepresentation or the employer has not complied with the terms of the health insurance contract. In addition, according to HIPAA, credit for prior coverage is required as long as there is no more than a 63-day break in coverage.

<sup>2</sup> Despite the group-size definition imposed by the state, as per federal law, all HIPAA protections apply to groups of 2-50.

<sup>3</sup> Alabama's high-risk health insurance pool only serves the state's HIPAA-eligible population.

<sup>4</sup> In Arizona, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>5</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>6</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>7</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>8</sup> In California, all individual market carriers must guarantee issue their two most popular individual products to people who are exercising their group-to-individual portability rights provided by HIPAA. Carriers must also guarantee issue coverage to people who have spent two years in the state's high-risk health insurance pool.

<sup>9</sup> In the California traditional individual health insurance market, there is a 12-month look-back and exclusionary period limit for pre-existing conditions for policies that cover one or two people. There is a 6-month look-back and exclusionary period limit for individual policies that cover three or more people.

<sup>10</sup> Carriers must guarantee issue coverage to people who have spent two years in the state's high-risk health insurance pool.

<sup>11</sup> In 2007, Colorado passed HB 1355 which phases out the rating flexibility reforms that were passed during the 2003 legislative sessions. Carriers will no longer be able to adjust rates for health status and claims experience.

<sup>12</sup> For employer groups-of-one employee, Colorado carriers must guarantee issue basic and standard small-group coverage during an annual open enrollment window to groups-of-one with involuntary loss of coverage only.

<sup>13</sup> As of January 1, 2008, carriers may no longer rate up to the 1.1 or 10%. As of January 1, 2009, carriers may no longer offer the .75 or 25% discount.

<sup>14</sup> Connecticut regulations allow groups of one to apply for any plan however, following medical history review they may be offered the small group regulation guarantee issue product.

<sup>15</sup> Connecticut requires that small-group rates be based on a community rate with adjustments allowed for age, gender, geography, group size, family, and industry.

<sup>16</sup> In Delaware, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market carrier offering coverage in the state.

<sup>17</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>18</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>19</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>20</sup> In Delaware, carriers must guarantee-issue coverage to employer groups-of-one.

<sup>21</sup> Currently in Florida, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through either a conversion product, or through individual market carriers.

<sup>22</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>23</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>24</sup> Florida's current high-risk pool, the Florida Comprehensive Health Association has been closed to new enrollees since 1991. As such, there is no mechanism currently in place to serve new medically uninsurable individuals who do not either have access to group coverage or guarantee issue rights provided under

---

HIPAA. However, legislation was enacted in Florida in 2004 to create the Florida Health Insurance Plan, a new high-risk pool, which would combine the existing pool with new enrollees. The development of the pool is contingent upon the creation of a funding mechanism. A legislative effort is currently underway to create a funding mechanism for the pool, so that it can become operational and accept new enrollees.

<sup>25</sup> In Florida, carriers must guarantee issue certain small-group products to groups-of-one during annual open enrollment periods.

<sup>26</sup> In the small group market in Florida there are rate bands of +/-15% of the indexed rate depending on the health of the group. Groups over 10 employees may use a group medical questionnaire. Groups of fewer than 10 employees must answer individual medical questionnaires. Small employer health insurance carriers may only use the following rating factors: geographic area and number of employees, as well as health of the group. Renewals are capped at 15% plus trend.

<sup>27</sup> In Georgia, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through either a conversion product, or through individual market carriers on an assignment basis.

<sup>28</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>29</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>30</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>31</sup> In Hawaii, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>32</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>33</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>34</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>35</sup> Hawaii does not have a statute that defines the size of their small group market. Most carriers define it as 1-50; however, some use the definition of 1-100. Individuals who attempt to obtain guarantee-issue coverage as a business group-of-one must satisfy criteria set by the carrier.

<sup>36</sup> Coverage in the Hawaii small group market may be medically underwritten. The state does not have specified rate requirements, except that all rates must be reasonable for the coverage provided, and effective 1/1/2003, all rates must have prior approval by the state Department of Insurance.

<sup>37</sup> Idaho individual health insurance carriers must guarantee issue at least three products (basic, standard and catastrophic) to all individual market consumers with 12 months of creditable coverage, including all HIPAA-eligible individuals.

<sup>38</sup> Preexisting conditions may not be considered for standardized policies.

<sup>39</sup> For traditional individual health insurance policies in Illinois, there is a 12-month look back period during first two years of coverage. If the condition is determined to be preexisting a 24-month exclusionary period is allowed.

<sup>40</sup> Carriers are subject to rating restrictions based on the pricing for their different blocks of business. The rate differential between the two policy forms must be no more than 2.028 to 1 at each age, (i.e., the composite effect of 30%, and 20%). Subsequent rate changes must be within 15% of each other.

<sup>41</sup> Carriers are subject to rating restrictions based on the pricing for their different blocks of business. The rate differential between the two policy forms must be no more than 2.028 to 1 at each age, i.e., the composite effect of 30%, and 20%. Subsequent rate changes must be within 15% of each other.

<sup>42</sup> Credit for prior coverage is required for HIPAA-eligibles and standardized policies.

<sup>43</sup> There are no rate caps in the individual health insurance market in Louisiana, as statutory rate bands are not enforced.

<sup>44</sup> In Maine, all major medical individual health insurance products must be sold on a guarantee issue basis to all consumers, including all HIPAA-eligible individuals.

<sup>45</sup> In Maine, the individual market is rated on a modified community basis. Effective July 1, 2009, carriers will rate products by age and geography and the ratio of the highest premium to the lowest premium cannot exceed 2.5. A separate adjustment can be made for smoker status.

- 
- <sup>46</sup> In Maine, small group health plan rates are determined on a modified community basis. Rates can only be adjusted by plus or minus 20% from the standard community rate for the following factors: age, geography, occupation, and smoking status. The use of medical underwriting is prohibited.
- <sup>47</sup> In Maryland, carriers must guarantee issue a standardized coverage plan to self-employed individuals during an annual open enrollment period.
- <sup>48</sup> In Maryland, small group health insurance coverage premiums must be community rated by age and geography. Rates may vary up 40 percent or below 50 percent below the base community rate. Unless there is further legislation, the 50 percent variance will sunset on January 1, 2011 and return to 40 percent.
- <sup>49</sup> All Massachusetts individual market health insurance carriers must sell at least three products to all consumers on a guarantee issue basis, including all HIPAA-eligible individuals.
- <sup>50</sup> Carriers may adjust rates on a modified community rated basis. Adjustments are limited to age, geography, family size on a 2:1 basis.
- <sup>51</sup> In Massachusetts, the nongroup and small group markets have been merged..
- <sup>52</sup> In Massachusetts, small group health insurance premiums must be based on a community rate, with adjustments allowed for age, industry, group size, geography, family composition, participation rate, wellness program participation, and participation in the small employer reinsurance plan.
- <sup>53</sup> Blue Cross Blue Shield of Michigan must offer all products to all residents on a guarantee issue basis, and HMOs in the state must offer guarantee issue coverage to residents during annual open enrollment periods.
- <sup>54</sup> Blue Cross Blue Shield of Michigan must community rate products in the individual market, but other carriers have no rate restrictions.
- <sup>55</sup> There is a 6-month look-back and exclusionary period limit on preexisting health conditions for Blue Cross Blue Shield of Michigan and HMOs. All other individual market carriers are subject to a 6-month look-back and a 12-month exclusionary period limit on preexisting health conditions.
- <sup>56</sup> Blue Cross Blue Shield of Michigan is required by statute to serve as the carrier of last resort for people seeking coverage in the individual market through a year-round open enrollment for specified products. Also, HMOs in Michigan are required to offer individual coverage with a 30-day open enrollment period for all individuals annually.
- <sup>57</sup> In Michigan, commercial carriers and Blue Cross Blue Shield of Michigan may impose an open enrollment period for sole proprietors and impose a 6 month look-back and exclusionary exclusion period for preexisting conditions.
- <sup>58</sup> Blue Cross Blue Shield of Michigan is allowed to impose a 35 percent variation from the geographic rate for small groups.
- <sup>59</sup> Minnesota individual health insurance market rates are subject to bands of plus or minus 25 percent of the base individual market rate for health status, plus or minus 50 percent for age and plus or minus 20 percent for geography.
- <sup>60</sup> There is no exclusionary period allowed for preexisting health conditions for people with creditable coverage in Minnesota.
- <sup>61</sup> In Mississippi, carriers must guarantee-issue coverage to business groups-of-one.
- <sup>62</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.
- <sup>63</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.
- <sup>64</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.
- <sup>65</sup> H.B. 818, passed in 2007, modifies MO law to comply with federal HIPAA laws to define small group as 2-50 rather than 3-25. It also allows premium rates for small employer health insurance to vary from the index rate by 35% rather than 25%. These changes were effective 01/01/08
- <sup>66</sup> In Nevada, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage in the form of a basic or standardized plan through any individual market carrier.
- <sup>67</sup> Elimination riders permitted except for HIPAA-eligibles and in the Nevada basic and standard plans.
- <sup>68</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

---

<sup>69</sup> In New Hampshire, small group health insurance premiums must be based on a community rate, with adjustments allowed for age, family composition, group size and industry classification when determining rates, and the use of health status, claims experience, duration of coverage, geographic location and other characteristics is prohibited.

<sup>70</sup> All New Jersey individual market health insurance carriers must guarantee issue five standardized products to all consumers, including HIPAA-eligible individuals.

<sup>71</sup> Traditional individual coverage may have 3.5:1 variations for age and family size. Carriers may also offer a basic and essential plan, which may have 3.5:1 variations for age, gender and geography.

<sup>72</sup> In New Jersey, new groups sized 2-5 are subject to a 6-month look-back/6-month preexisting condition exclusion period, but other small groups are not subject to an exclusion period. Late enrollees in groups of 2-50 may also be subject to a 6-month preexisting condition waiting period.

<sup>73</sup> In New Jersey, small-group premiums are based on a modified community rate, and carriers may consider only the age, gender and family status of eligible employees, and the location of the employer in determining the premium for the group. Carriers may not consider any other factor, including health status or prior claims history of eligible employees or the type of business. Carriers are required to limit the range of premiums from the highest risk group and the lowest risk group to a 2:1 basis.

<sup>74</sup> In New York, all carriers must guarantee issue all individual health insurance products to all consumers, including HIPAA-eligible individuals.

<sup>75</sup> Coverage must be community-rated with adjustments limited to family composition and county of residence.

<sup>76</sup> In New York, small group health insurance premiums are subject to pure community rating.

<sup>77</sup> In North Carolina, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market carrier. In addition, Blue Cross/Blue Shield of North Carolina voluntarily sells certain products on a guarantee-issue basis to all consumers.

<sup>78</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>79</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>80</sup> The North Carolina General Assembly passed legislation in 2007 (Session Law 2007-532) that created the North Carolina Health Insurance Risk Pool funded through premium taxes, an assessment from the state employee health plan, and a one-time assessment from the state health and wellness trust fund. Premiums are set at 150-200 percent of the standard rate, and three basic plans are available with different levels of cost sharing and out-of-pocket maximums. The law provides a 12 month lookback and 12 month waiting period for pre-existing conditions (6 month waiting period for individuals enrolled in first 6 months). The pool will begin accepting enrollees on January 1, 2009.

<sup>81</sup> In North Carolina, carriers must guarantee issue basic and standard plans to business groups-of-one.

<sup>82</sup> In North Carolina, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market carrier. In addition, Blue Cross/Blue Shield of North Carolina voluntarily sells certain products on a guarantee-issue basis to all consumers.

<sup>83</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>84</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>85</sup> Blue Cross Blue Shield of North Carolina voluntarily serves as the carrier of last resort for people seeking coverage in the individual market through a year-round open enrollment for specified products.

<sup>86</sup> In North Carolina, carriers must guarantee issue basic and standard plans to business groups-of-one.

---

<sup>87</sup> Traditional Ohio individual market carriers must guarantee issue two standardized products to individuals exercising their group-to-individual portability rights provided by HIPAA until they meet enrollment caps, and HMOs must guarantee issue coverage one month each year to HIPAA eligible individuals.

<sup>88</sup> Standardized plans are subject to rate caps.

<sup>89</sup> In Ohio, HMOs and insurers must hold annual open enrollment periods during which they must offer two specified products to all individuals until they meet specified statutory enrollment caps.

<sup>90</sup> Individual market HMOs are subject to rate caps; however, no HMOs offer individual market coverage in the state at this time.

<sup>91</sup> Preexisting conditions may not be considered for HMO products in the Oklahoma individual health insurance market, however, no HMOs offer individual market coverage in the state at this time.

<sup>92</sup> In Oklahoma, HMOs cannot consider, look-back at or issue exclusions for preexisting conditions. All other group health insurance carriers can impose a 6-month look-back/12-month exclusionary period for preexisting conditions on enrollees that do not have prior creditable coverage.

<sup>93</sup> In Oregon, all individual market carriers must guarantee issue portability products to residents with six months of prior coverage.

<sup>94</sup> Oregon individual carriers must use community rating with variances allowed based on geography and benefit design.

<sup>95</sup> Preexisting conditions may not be considered for portability products in Oregon's individual health insurance market.

<sup>96</sup> Small group health insurance premiums in Oregon must be based on a modified community rate. For groups of 2-25 employees, rating is based on family mix, member age, and geographic location of the employer. All carrier rates must have no more than a .43 difference in rates between the highest age and lowest age band. For groups of 26-50 employees, rates also must be based on family mix, member age, gender and geographic location of the employer, but there are no age band requirements.

<sup>97</sup> In Pennsylvania, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee issue private individual health insurance coverage through the various Blue Cross/Blue Shield plans serving as the state's carriers-of-last resort. The various Blue Cross/Blue Shield plans also offer a medical-only product to all consumers on a guarantee-issue basis.

<sup>98</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>99</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>100</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>101</sup> The various Blue Cross/Blue Shield plans operating in the state voluntarily serve as the carriers-of-last-resort for people seeking coverage in the individual market through a year-round open enrollment for specified products.

<sup>102</sup> Pennsylvania does not have a specific statute or regulation that defines the size of a small employer for the purposes of providing health insurance coverage. Most Pennsylvania insurance carriers define a small group as 2-50 employees.

<sup>103</sup> In the small group health insurance market in Pennsylvania, medical underwriting is allowed without restriction with rate variations allowed up to 300 percent of the base rate. Some Blue Cross/Blue Shield carriers community rate or use a modified community rate voluntarily.

<sup>104</sup> All carriers must guarantee issue coverage to all individuals with at least 12 months of prior coverage. Blue Cross Blue Shield of Rhode Island voluntarily offers an individual health insurance product to all consumers on a guarantee issue basis. HIPAA-eligible individuals can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>105</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA or for the guarantee issue products.

<sup>106</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA or those with 12 months of prior coverage.

<sup>107</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA and in the guarantee issue plans.

---

<sup>108</sup> Blue Cross Blue Shield of Rhode Island voluntarily serves as the carrier of last resort for people seeking coverage in the individual market through a limited annual open enrollment period.

<sup>109</sup> In Rhode Island, carriers must guarantee issue coverage to business groups-of-one.

<sup>110</sup> Small group rating factors are age, gender and family composition.

<sup>111</sup> There is a 12-month look-back and exclusionary period limit for preexisting conditions for HMOs in South Carolina's individual health insurance market.

There is an unlimited look-back and 24-month exclusionary period limit for preexisting conditions for other individual policies.

<sup>112</sup> In Tennessee, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>113</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>114</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>115</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>116</sup> Some medically uninsurable individuals in Tennessee are still eligible for the state's scaled-back TennCare program.

<sup>117</sup> Preexisting conditions may not be considered for HMO products in the Texas individual market.

<sup>118</sup> Credit for one month or more prior coverage is required.

<sup>119</sup> In Utah, individual market carriers must guarantee issue products to people that meet certain health criteria. Individuals who do not meet these criteria can obtain guarantee-issue private individual health insurance coverage through the state's high risk pool.

<sup>120</sup> All individual health insurance products in Vermont must be sold on a guarantee issue basis, including to HIPAA-eligible individuals.

<sup>121</sup> Vermont individual health insurance carriers may only offer coverage on a community rated basis with adjustments limited to those approved by the state Insurance Commissioner. Currently variances of plus or minus 20 percent of the average group rate based on age and gender are allowed.

<sup>122</sup> In Vermont, small group health insurance premiums must be based on a community rate with variations allowed only for age and gender.

<sup>123</sup> In Virginia, individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>124</sup> Elimination riders aren't allowed for people exercising their group-to-individual portability rights under HIPAA.

<sup>125</sup> Preexisting conditions cannot be considered for people exercising their group-to-individual portability rights under HIPAA.

<sup>126</sup> Credit for prior coverage is required for people exercising their group-to-individual portability rights under HIPAA.

<sup>127</sup> The various Blue Cross Blue Shield plans operating in the state are required by statute to serve as the carrier of last resort for people seeking coverage in the individual market through an open enrollment period for specified products.

<sup>128</sup> In the small group market in Virginia, private health insurance carriers can medically underwrite rates without restriction, except for standardized plans. For the standardized plans, rates may vary by plus or minus 25 percent of the indexed rate based on age, gender, geography, health status, claims experience and duration of coverage for similar groups.

<sup>129</sup> In Washington, individual market carriers must guarantee issue products to people that meet certain health criteria. Individuals who do not meet these criteria can obtain guarantee-issue private individual health insurance coverage through the state's high-risk pool. Individuals exercising their federal group-to-individual health insurance rights provided by HIPAA can obtain guarantee-issue private individual health insurance coverage through any individual market health insurance carrier.

<sup>130</sup> Washington individual health insurance carriers may only offer coverage on a modified community rated basis with adjustments limited to age, geography, wellness, family size and tenure in the plan.

---

<sup>131</sup> In Washington, small group premium rates must be based on a community rate with adjustments allowed for age, geography and family composition. The rating between the highest rate and lowest rate for the community cannot exceed 375 percent.

**PLEASE NOTE: The information presented in this analysis is the exclusive property of the National Association of Health Underwriters (NAHU). It was prepared as an informational resource for NAHU members, state and federal policymakers and other interested parties. It is not to be duplicated, copied, or taken out of context. Any omission or inclusion of incorrect data is unintentional. If you have any questions about the information presented in this document, please contact Jessica Fulginiti Waltman, Director of Health Policy Research at 610-971-2404 or [jwaltman@nahu.org](mailto:jwaltman@nahu.org).**