



Department of Commerce

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
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ADMINISTRATIVE NOTICE: 2013-03

Date: October 11, 2013

To: Health Insurance Providers / Issuers

From: Insurance Commissioner

Subject: Implementation of Title I, subtitle C and D of the Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law No. 111-152 ("PPACA") for non-grandfathered health insurance policies and health plans on January 1, 2014

On January 1, 2014, many provisions set out in Title I, Subtitles C and D of the Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law No. 111-152 ("PPACA") become effective. These provisions will require all non-grandfathered insurance policies and health plans to provide essential health benefits (PHSA §2707(a)), to limit cost sharing (PSHA §2707(b)), to have premiums comply with the fair health insurance premium provision (for individual and small group plans only) (PHSA §2701), to be guaranteed available (PHSA §2702), to be guaranteed renewable (PHSA §2703), to comply with the prohibitions on pre-existing condition exclusions and discrimination based on health status (PHSA §§2704 and 2705), to not apply any waiting period that exceeds 90 day (PHSA §2708), to provide coverage for an individual enrolled in a clinical trial (PHSA §2709), and to eliminate annual limits on the dollar value of benefits (PHSA §2711). Additionally, as of Jan. 1, 2014, insurance issuers are prohibited from discriminating against health care providers acting within the scope of their professional license (PHSA §2706).

Grandfathered plans as defined in 45 CFR 147.140 are also subject to certain PPACA provisions effective January 1, 2014. Grandfathered health plans and policies issued on or after January 1, 2014 must not apply any waiting period exceeding 90 days (PHSA §2708) and grandfathered group plans are prohibited from establishing annual limits on the dollar value of benefits (PHSA §2711).

The purpose of this notice is to remind all insurance companies, health maintenance organizations and hospital medical service corporations ("carriers") issuing health policies or plans that, barring amendments to PPACA or its implementing regulations, these policies and plans will have to be brought into compliance with the PPACA requirements on their policy or plan years beginning on or after January 1, 2014. The mission of this notice is to notify carriers of PPACA provisions with the upcoming effective date of January 1, 2014, and in no way precludes health insurance carriers from complying with PPACA provisions with pre-2014 effective dates.

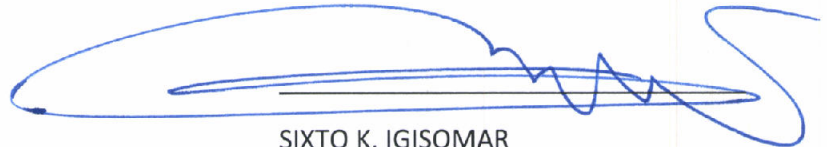
The department urges all carriers to make plans to bring these policies and health plans into compliance according to the powers and duties afforded to the CNMI Insurance commissioner in 4 CMC Division 7 §7105, and to begin notifying policyholders and contract holders of these insurance policies and health plans of the coming changes in their coverage so that the disruption in the insurance marketplace brought by the January 1, 2014 PPACA requirements can be diminished. Additionally, please notify the

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Department of your plans in this regard and provide us with sample notice letters that will be going out to policyholders. Such information and notice letters will be accepted by the Department on an informational basis.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the printed name.

SIXTO K. IGISOMAR
CNMI INSURANCE COMMISSIONER