STATE OF IOWA

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DOUG OMMEN
COMMISSIONER OF INSURANCE

Bulletin 22-01

To: All Health Insurers Writing Business in the State of Iowa
From: Doug Ommen, Iowa Insurance Commissioner
RE: CMS allows extension for transitional policies indefinitely
Date: April 13, 2022

The purpose of Bulletin 22-01 is to provide guidance regarding the extension of transitional policies in the State of Iowa. The Centers for Medicare and Medicaid Services ("CMS") announced on March 23, 2022, that health insurers will be allowed to continue transitional policies for policy years beginning after October 1, 2022, and will remain in effect until CMS announces that all such coverage must come into compliance with the specified requirements.[1]

The Iowa Insurance Division ("IID") will enact the CMS guidance and will also allow transitional policies to remain in effect indefinitely. The IID appreciates federal authorities providing this state flexibility as they have done every year since 2014.

Transitional policies provide access to healthcare coverage that is likely otherwise unaffordable. Currently, 58,295 Iowans have transitional policies in the individual and group markets. Year after year, Iowans have had the opportunity to enroll in ACA plans but many choose to stay in transitional plans to avoid the very high ACA rates, especially those in the individual market.

The structural flaws within the text of federal law make ACA plans unappealing to many younger, healthier Iowans. Iowa intends to permit viable health insurance options for those who have been priced out of ACA plans and appreciates CMS listening to input from Iowa[2] to make the continuation of transitional plans available for the foreseeable future. Iowa, once again, calls on the federal government to permit additional flexibility to make changes that would make the ACA plans more attractive to younger, healthier Iowans.

[1] See: https://www.cms.gov/files/document/extension-limited-non-enforcement-policy-through-calendar-year-2023-and-later-benefit-years.pdf

[2] https://www.grassley.senate.gov/news/news-releases/grassley-ernst-press-cms-to-protect-high-quality-affordable-health-insurance-for-65000-iowans