



# State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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DATE: April 3, 2019  
TO: All Insurers Authorized to Write Health Insurance in Wisconsin  
FROM: Mark V. Afable, Commissioner of Insurance  
SUBJECT: Extension of Transitional Health Insurance Plans Through December 31, 2020

On March 25, 2019, the Centers for Medicare and Medicaid Services (CMS) released a bulletin allowing states to permit insurers to renew transitional policies as long as such policies come into compliance with certain specified market reforms by January 1, 2021.<sup>1</sup> Specifically, the new guidance on transitional plans extends the use of transitional plans through December 31, 2020. In light of this new federal guidance, the Office of the Commissioner of Insurance (OCI) is issuing this bulletin to allow for the extension of these plans as outlined by CMS.

There is a potential that in the 2020 plan year insurers will again face an issue of policies that end prior to December 31, 2020, or if renewed in 2020 will extend beyond December 31, 2020. For policies that would extend past December 31, 2020, CMS's guidance states that policies must be fully ACA compliant by January 1, 2021. To achieve this, CMS and OCI will allow a policy to renew with a term that is less than 12-months or will allow an option to renew policies early in order to facilitate the transition to fully ACA-compliant policies starting January 1, 2021. For policies that end prior to December 31, 2020, insurers may renew policies with a shorter term in order to avoid a gap in coverage prior to the 2021 plan year. OCI encourages insurers to work with small employers and consumers to ensure smooth transitions. OCI will monitor insurers to ensure that during the shorter-term gap coverage period, premium, and cost-sharing are continued without resetting or rating if the only change is coverage to avoid a gap through December 31, 2020.

Insurers should be aware that legal and policy changes at the state and federal levels may cause transitional plans to be unavailable in Wisconsin after December 31, 2020.

Any questions concerning this bulletin should be directed to Lisa Brandt at [Lisa.Brandt@wisconsin.gov](mailto:Lisa.Brandt@wisconsin.gov).

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<sup>1</sup>CMS guidance can be found at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Limited-Non-Enforcement-Policy-Extension-Through-CY2020.pdf>.