

Guidance for Appointed Agents and Brokers of CoOpportunity Health in Iowa and Nebraska

The Iowa Insurance Division and Nebraska Department of Insurance are receiving inquiries from appointed agents and brokers on the Order of Rehabilitation of CoOpportunity Health on December 23, 2014, the Polk County District Court in Iowa entered an Order of Rehabilitation appointing Commissioner Gerhart as the rehabilitator for CoOpportunity Health. The Iowa Insurance Division assumed responsibility for the management of the company as of that date, which includes continuing policyholder accounting, ensuring payment of medical claims, attempting to correct existing problems, continuing operations and developing a plan to rehabilitate or liquidate the company. The Division is currently evaluating the totality of the situation and this guidance is part of the Division's effort to inform consumers, providers and producers.

Below are key points to help address some of the questions appointed agents and brokers may have or may have received from policyholders regarding CoOpportunity Health. The role of the agent/broker is critical to help ensure a smooth transition of impacted employer groups and individuals.

- (1) Individuals need to pay their premium in order to keep the coverage they have with CoOpportunity Health and prevent a lapse in coverage. If an individual wants to enroll in other coverage and does so by January 15, 2015, coverage would be effective February 1, 2015. If an individual enrolls by February 15, 2014, coverage would be effective March 1, 2015. If other coverage is selected, a new deductible period will begin with the new carrier on the new effective date.
- (2) Coverage will terminate if an individual or group does not pay premium when due for off Marketplace business. Established grace periods for On-Marketplace individual policyholders remain in place.
- (3) If a current CoOpportunity Health individual policyholder made no election or changes prior to December 15, 2014, an auto-renewal was processed and their coverage will automatically continue with CoOpportunity Health effective January 1, 2015, as long as they pay their premiums.
- (4) If CoOpportunity Health cannot put forward a plan to remain viable, the Rehabilitator will have to move for an order to liquidate the company. If that occurs, individual plans will remain in effect, but subject to the state guaranty fund limitation of coverage (\$500,000 per individual). If the plan is no longer a Qualified Health Plan, the plan may not be eligible for tax credit subsidies. This may force individuals to find other coverage on the Iowa or Nebraska Health Insurance Marketplace (HealthCare.gov) to keep tax credit subsidies. Open enrollment continues until February 15, 2015.
- (5) Small group and large group coverage may move to another carrier off renewal. If the group terminates coverage before the first of the month, the group could begin coverage with another carrier the following month. CoOpportunity Health has waived its 30 day notice requirement.
- (6) CoOpportunity Health will not provide deductible credit reports for groups who move off-renewal. If the new carrier honors deductible credit, employees will need to provide EOBs to determine the applicable deductible credit.

- (7) The Division does not support retroactive enrollment or termination. The Division does not believe it can be done in a timely manner or on an administrative basis.
- (8) If a premium payment has been made, and coverage is terminated before the first of the following month, the consumer is entitled to a refund of premium under Iowa law but it could take some time for that refund to occur. This is especially true for policies purchased on HealthCare.gov. If the consumer has paid for coverage and is enrolled with CoOpportunity Health on January 1, 2015, or on the first of any month thereafter, that coverage will continue throughout January and any following month and the consumer would not receive a refund. In order to receive a refund of the premium, the consumer must terminate coverage prior to the first of the month. The Iowa and Nebraska Health Insurance Marketplace (HealthCare.gov) requires 14 days advance notice to cancel coverage.
- (9) It is our understanding that the CoOpportunity Health plans that consumers enrolled in through the federal marketplace are still Qualified Health Plans and remain eligible for tax credit subsidies. This status may change if CoOpportunity Health is liquidated at a later date. Upon liquidation, the consumer may still keep the coverage, but it would be subject to the guaranty fund limits and therefore will likely lose its status as a Qualified Health Plan. If the plan loses its status as a Qualified Health Plan, its enrollees would not be eligible for tax credits. Consumers will be updated as additional information becomes available.
- (10) Effective immediately, commission payments have been suspended.

The Division will continue to update consumers, agents and providers as additional information becomes available. We appreciate your attention to these issues and stand ready to help answer questions.