COVID-19 Update – Ohio Issues FAQs on Health Insurance Flexibility for Employers

As previously discussed, the Ohio Department of Insurance (ODI) issued guidance pursuant to Governor Mike DeWine’s emergency declaration and order from March 9, 2020. Under Bulletin 2020-03, the ODI lifted certain restrictions for group health plans, limited premium increases, and expanded the rules for the continuation of coverage. Recently, the ODI issued FAQs to clarify its Bulletin.

In its FAQs, the ODI sought to clarify the types of applicable health plans affected by the Bulletin and provided much needed clarification relating to the 60-day grace period for premium payments.

Under the FAQs, the ODI explained the Bulletin applies only to fully insured employer group health plans and not self-insured plans, except Multiple Employer Welfare Arrangements and several non-federal governmental plans. In addition to major medical plans, the Bulletin also applies to supplemental plans and limited duration plans issued to employers.
The ODI also addressed open issues relating to the deferral of premium payments. Under the FAQs, insurers must accommodate employers by extending premium payment due dates or waiving late or reinstatement fees in instances when employers are unable to make premium payments due to COVID-19-related disruptions. The recent guidance from the ODI does not change the rules for retroactive termination or rescission at the end of the grace period.

Perhaps most notably, the FAQs clarified the reference in the Bulletin to “insureds” when providing for the 60-day grace period for premium payments. The FAQs make it clear that the premium payment grace period applies to insurers providing coverage to employer groups plans regulated by the ODI, not employees. The ODI left it up to the individual employer as to whether or not to provide employees with a grace period to pay insurance premiums.

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