



April 19, 2018
A18-062

For More Information: Agent Service Center
800-267-3156

Keep Your Plan Extended for Small Groups (Updated 4.26.18)

Sales Audience: Small Group

04.26.18 Updates in Red

Summary

Small Groups that are currently in Transitional Relief plans (also known as Keep Your Plan (KYP) and grandmothered plans) will be able to stay in their existing plans for another year. **This article has been updated with additional details and revised collateral materials.**

Details

On April 9, Florida Blue was notified by the Centers for Medicare and Medicaid (CMS) that Small Groups—with renewal dates on or before October 1, 2019—will be **able to keep their existing KYP plans** until December 31, 2019.

Prior to this new guidance, Small Groups in KYP plans would have had to exit their pre-ACA plan by December 31, 2018.

- Some Florida Blue Small Groups with 4Q 2017 renewals opted to renew into their grandmothered plans for a contract year of longer than 12 months. These groups may continue to stay in their grandmothered plans for their extended contract year unless they choose otherwise.
- **Due to the timing of the CMS extension, letters and packages for groups with renewal dates through September will not reflect these changes. The voluntary migration renewal letter will be removed starting with October 1 renewal packages.**
- We will continue to monitor additional guidance from the state and the federal government regarding transitional policies and will notify you if any changes are made as a result of further guidance.

Group Outreach

In the next month, we will send letters to let the following Small Groups in KYP plans know that they can renew into their existing grandmothered and/or grandfathered plans, just as they had in prior years:

- **Small Groups who have received their 2018 renewal package, but not yet completed their renewal.**
- **Small Group who have anniversary dates through September 15, 2018, but haven't yet received their renewal package.**

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Next Steps

Review the information in this article so that you are prepared to answer questions from groups. We'll provide copies of the above mentioned letters prior to mailing them to groups.

Sales Toolkit

For details, see the following job aids in the **Transitional Relief / Keep Your Plan (KYP) Migration** section in the [Small Group Agent Toolkit](#).

- [KYP Poster Job Aid](#)
- [KYP Talking Points](#)
- [KYP FAQs](#)

If you have questions, contact your Florida Blue Sales Representative, General Agent, Area Manager or the Agent Service Center at 800-267-3156.

KEEP YOUR PLAN

KEY TERMS

Small Group - 1-50 average total # of employees on payroll during the preceding year.

Transitional Relief/KYP –A ruling that gave the option for states to allow Small Groups to keep their plan they were in prior to 1/1/2014. Relief has been extended three additional times. Groups can now keep their plan until 12/31/2019.

Grandfathered (GF) – A status given to groups with coverage prior to March 23, 2010 who have maintained their plan without making benefit changes. The Affordable Care Act (ACA) allows these groups to keep their plans.

GENERAL INFO

Not Impacted by Keep Your Plan Changes

- Small groups who only have a grandfathered plan(s) can continue to renew into their existing plan(s)
- Large groups in Small Group plans (must maintain 51+ members)

All Groups

- All groups can migrate to an ACA plan at renewal.
- If a group has grandfathered plan in their package and has maintained their grandfathered status, they can migrate all of their membership to the a grandfathered plan
- Groups that move to ACA cannot maintain Grandfathered Plan.

2018-2019 KYP TIMELINE



RENEWAL IMPACTS

	A Renew As Is	B Renew As-Is OR Migrate to Grandfathered Plan OR Migrate to ACA	C Migrate to ACA
A	4/9/18 to 1/1/19	<p>Renew As-Is</p> <ul style="list-style-type: none"> • Groups can keep their plan and keep their coverage for 12 months • Groups can maintain their anniversary date 	
B	1/15/19 to 10/1/19	<p>Renew As-Is</p> <ul style="list-style-type: none"> • Short Plan Year • Keep Your Plan coverage will end on 12/31/19 • Group must select ACA plan on 1/1/20 (new anniversary date/second open enrollment) <p>Migrate to Grandfathered Plan</p> <ul style="list-style-type: none"> • Move all membership to the grandfathered plan(s), if applicable • Anniversary date remains unchanged <p>Migrate to ACA</p> <ul style="list-style-type: none"> • Group can elect ACA plan (12-month renewal) • Group keeps anniversary date • One open enrollment 	
C	10/15/19 to 12/15/19	<p>Migrate to ACA</p> <ul style="list-style-type: none"> • Group must elect ACA plan • Group keeps anniversary date • One open enrollment 	

CROSSWALKS

Crosswalks are available for 14 plans, and will assist you in finding the best solution for your customers. The crosswalks outline the plan with the closest benefit match to the current plan, the best alternate plan and more.

2018 Small Group

Job Aid – Transitional Relief/ Keep Your Plan (KYP) Talking Points

This document contains talking points that you can use when speaking to Business Decision Makers (BDMs).

Transitional Relief/KYP

- A ruling gave the option for states to allow Small Groups to keep their plan they were in prior to 1/1/2014. Relief has been extended three additional times.
- The most recent guidance was released April 9, 2018, extending KYP an extra year through the end of 2019.
- All KYP eligible groups must move into a plan with ACA essential health benefits by 1/1/2020.
- Groups that are currently in Transitional Relief/KYP or “grandmothered” plans with **renewal dates on or before October 1, 2019 can keep their existing plans until December 31, 2019.**
- Large groups in Small Group plans are not impacted as long as they maintain 51+ members.
- All groups always have the option to migrate to ACA earlier.
- We will continue to monitor additional guidance from the state and the federal governments regarding transitional policies and will notify you of any changes resulting from further guidance.
- [Click here](#) to review the guidance from CMS.
- Grandfathering is not impacted by KYP expiration; however, groups choosing to move to an ACA plan cannot maintain a grandfathered plan in their package.

Transitional Relief/KYP – Updates to 2018 Renewal Options

- Small Groups are **no longer** required to exit grandmothered plans by December 31, 2018. The new date is December 31, 2019.
- Scenario 1 - Small Groups with 4Q 2017 renewals that opted to renew into their grandmothered plans for a contract year longer than 12 months:
 - These groups may continue to stay in their grandmothered plans for their extended contract period unless they choose otherwise

**Transitional
Relief/KYP –
Updates to 2018
Renewal Options
(Cont.)**

- Scenario 2 - Small Groups that have already renewed in 2018:
 - Groups renewing in 2018 that have chosen to migrate to ACA plans will not be allowed to retroactively go back to their pre-ACA plan
 - Small Groups that have already renewed into their grandfathered plans for a short plan year will be able to keep their grandfathered plan for a full 12 months
 - Their anniversary date will not change to 1/1/2019, as we previously advised
 - Scenario 3 - Small Groups who have received their 2018 renewal package, but not yet completed their renewal:
 - The group can renew into their existing grandfathered and/or grandfathered plans, just as they had in prior years
 - They can maintain their anniversary date and will follow their regular open enrollment schedule
 - The group still has the option to voluntarily migrate out of their pre-ACA plan(s) at their 2018 renewal
 - Early Migration Option 1 - If the group has both Transitional Relief/KYP and a grandfathered plan, they can choose to move all of their members into their grandfathered plan at their 2018 renewal
 - Their anniversary date remains unchanged
 - Early Migration Option 2 - The group may migrate to ACA at their 2018 renewal
 - The group keeps their anniversary date, has a 12 month renewal and one open enrollment
 - The group cannot keep their grandfathered / grandfathered plans in a package with ACA plans
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Transitional Relief/KYP – Pre-ACA to ACA Rates

- Across the industry, data has shown that moving from Pre- ACA to ACA will result in average rate increases of 30%.
 - One of the reasons is that ACA plans must cover Essential Health Benefits.
 - This includes maternity care, hospitalization, rehabilitative services, laboratory services, pediatric services, emergency services, preventive and wellness services, prescription drugs, mental and behavioral health services, and ambulatory service.
 - These benefits must be covered with no annual or lifetime dollar limits.
 - In addition, many preventive services must be covered at a \$0 cost share including preventive screenings and routine wellness exams as well as immunizations and vaccinations.
 - Also, we must offer \$0 contraceptives and \$4 cost share on select prescription drug categories
 - Key things that we are seeing that are driving higher costs:
 - **Benefit Designs:** Certain lean benefit options, such as Generic Only Rx and \$10,000 Out-of-Pocket maximums, are not allowed under ACA
 - **Age Rating:** The ratio between a 65-year-old and a 21-year-old is 3:1 under ACA, which can result in higher rate increases for younger groups; additionally, rates are based on specific ages, not on five-year age bands
 - **Dependents:** Dependent ages are now factored in as part of rating calculations
 - **Rating Areas:** BlueOptions and BlueSelect must use the same area factors for each county
 - **Underwriting Adjustments:** Groups can no longer receive rate reductions based on their claims experience
 - Bottom Lines
 - For the employer, the overall cost will likely go up due to the factors previously listed.
 - For the employee, the total annual exposure will go down. Their premiums will increase, but their maximum out-of-pocket will be reduced
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**“Grandmothered”/Transitional Relief/Keep Your Plan Expiration
Frequently Asked Questions
Approved for Use with Florida Blue Agents**

Updated April 2018

Overview

When the Affordable Care Act (ACA) was enacted, it allowed groups with coverage prior to March 23, 2010 to keep their plan and remain “Grandfathered”. In November 2013, CMS issued guidance on “transitional relief” giving states the option to allow small groups to keep their plan(s) for one year. Transitional Relief has now been extended several times; the most recent guidance was issued in April 2018. Groups can now keep their plan until December 31, 2019. All transitional relief (KYP) groups—or “grandmothered” plans—must move into a plan with ACA essential health benefits by January 1, 2020.

In response to the ruling made by CMS, Florida Blue has maintained the stance that we want to provide employers with as many options as possible to meet their needs and the needs of their employees. In our continued effort to provide employers with options, we will continue to allow employers to renew into their existing grandmothered plan through October 1, 2019 as long as these employers move into an ACA plan by January 1, 2020.

Below are some FAQs related to the expiration of Grandmothered/Transitional Relief/Keep Your Plan (KYP).

FAQs

1. How are we communicating this change to our employers that are in grandmothered plans?

We have been including information in renewal packages letting employers know that if they renewed into their grandmothered plan, they would be in that plan for a “short plan year” and would need to move to an ACA plan with a new anniversary date of January 1, 2019. Since the federal government is allowing all small groups to remain in their grandmothered plans for another year (until January 1, 2020), communications are as follows:

- **Groups with renewals from January 15 – February 15, 2018**
 - These groups received a renewal letter that didn’t mention short plan years. To avoid any confusion, we will not mail anything to the groups who renewed during this time. Agents and Sales Representatives can address questions from groups as they come forward.
- **Groups with renewals from March 1 – September 15, 2018**
 - Those groups that already received their 2018 renewal package, which included a voluntary migration letter and referenced the short plan year.
 - In the next month, we’ll send a letter to small groups that have anniversary dates through September 15, 2018, both who have already received their 2018 renewal packages, as well as to those who haven’t. The letter will let them know that they can keep their grandmothered health plan for another year and their anniversary date will stay the same. A copy of the letter can be found here: [Final KYP Ext BA Letter](#)
- **Groups with renewals from October 1 – December 31, 2018**
 - These groups will receive a renewal letter that does not mention short plan years. The letter will be similar to what they’ve received in previous years.

2. If a group has already renewed into an ACA plan, can they move back into their grandmothered plan until December 31, 2019?

Once a group has migrated into an ACA plan, Federal law prohibits them from moving back into their pre-ACA grandfathered plan.

3. **If a 4Q2017 group renewed into a “long” contract year, will they still renew on January 1, 2019?**
 - Yes. Unless the group tells us otherwise, their anniversary date will remain January 1, 2019, per their extended contract period amendment. Their plan and rates will stay the same for the length of the extended contract and will not change until they renew on January 1, 2019.

4. **How will Florida Blue respond to the expiration of “Keep Your Plan” transitional relief health plans in 2019?**
 - For employers renewing January 1, 2019 – October 1, 2019, Florida Blue will allow employers to renew back into their current health plan(s) until December 31, 2019. After that, their plan will end and they will need to switch to a plan(s) with benefits required by the ACA.
 - Coverage would start on their renewal / anniversary date and continue through December 31, 2019.
 - Depending on their anniversary date, their plan's contract year may be less than 12 months and would extend from their renewal date through December 31, 2019.
 - On January 1, 2020, all employers in grandfathered plans would need to have migrated to an ACA plan.
 - This would change their anniversary date to January 1.

5. **What is the last date that an employer will be allowed to renew into their grandfathered plan?**
 - Per Federal guidelines, the last date employers can renew into their grandfathered plan is October 1, 2019.
 - For employers renewing after October 1, 2019, Small Group employers will not have the option to renew into their grandfathered pre-ACA plans. CMS will require that all Small Group employers migrate into an ACA plan or move all of their employees into a grandfathered plan, if they have one.

6. **What are the options for an employer who has only a grandfathered plan with an anniversary date from January 15 – October 1, 2019?**
 - Employers who are in a grandfathered plan will have two options at their 2019 renewal:
 - Option 1: Keep their plan as-is for a short plan year and potentially hold a second open enrollment
 - Option 2: Change to an ACA plan now
 - The below chart outlines how these options will impact the employer:

	Option 1	Option 2
	Keep your plan(s) for a short plan year. You may need to hold a second open enrollment.	Change your plan(s) now.
What will I experience with this option?	You get to keep you plan for the remainder of 2019.	On your renewal date, you can choose to switch to a plan(s) with ACA benefits.
How will my contract year be affected?	Your contract will end on December 31, 2019. Prior to this date, you'll be able to select an ACA plan(s).	Your contract and rates are guaranteed for 12 months.
How will my anniversary and billing date be affected?	Your anniversary date for renewals will change to January 1 and your monthly billing date will change to the first of each month.	Your anniversary date for renewals and billing date stays the same. There will be no need

		to change.
How will my employees be affected?	<p>Your employees may need to select their benefits twice through two open enrollment periods:</p> <ul style="list-style-type: none"> • Open enrollment 1: Your employees will select coverage from your current health plan(s) that starts with your anniversary date and ends on December 31, 2019. • Open enrollment 2: Your employees will select an ACA plan(s) that starts on January 1, 2020 with a new anniversary date of January 1. 	Your employees will only have to enroll once this year based on your normal renewal cycle.
How will my accumulators be affected?	<p>If you currently have an accumulator period that resets each calendar year, then your contract year and accumulator period will be both start on January 1, 2020. Your accumulators will reset when your contract renews.</p> <p>If you currently have an accumulator period that resets on a date other than January 1, then your contract year and accumulator period will no longer be the same. Your accumulators will reset after your renewal.</p>	Your accumulator periods will continue to reset as they always have.

7. Will Florida Blue allow “short” contract years?

- Employers that are renewing from January 1 – October 1, 2019 will be able to renew into their existing grandfathered plan(s).
- An employer’s contract year will be less than 12 months and will extend from their anniversary date through December 31, 2019.
- On January 1, 2020, all employers in grandfathered plans will be required to migrate to an ACA plan or move all of their employees into a grandfathered plan, if they have one. If a group elects to move all employees to the grandfathered plan(s), then the grandfathered plan(s) will no longer be part of the group’s portfolio. The group’s anniversary date will not change.

8. Has Florida Blue allowed “long” contract years?

- Florida Blue has allowed an extended or “long” contract for groups with effective dates in 4Q2017 (October, November and December 2017).
- Florida Blue will continue to evaluate the market and the regulatory environment and we’ll let you know if employers will be allowed “long” contract years in 4Q 2018.

9. Will rates change for Small Group employers when they migrate to an ACA plan?

- Most likely, rates will change when groups migrate to an ACA plan for various reasons:
 - Rates vary significantly across benefit plans and based on employer demographics.
 - The coverage included in many pre-ACA health plans varies drastically from what an ACA plan will include.
 - The ACA requires that Small Group ACA plans include specific medical and pharmacy coverage that many pre-ACA plans do not contain.
 - The ACA required benefits that must be added to plans can add some cost when compared to many of our grandfathered plans.

10. Will a Small Group employer that has a 2019 anniversary date after January 1, 2019 be able to renew into their grandfathered plan?

- Yes, employers that have a renewal date from January 15 – October 1, 2019 will be allowed to renew into their existing grandfathered plan(s).
- Employers with an anniversary date after January 1, 2019 who choose to renew into their grandfathered plan(s), will have a contract year less than 12 months long that would extend from their renewal date through December 31, 2019.
- On January 1, 2020, all employers in grandfathered plans will be required to migrate to an ACA plan or move all of their employees into a grandfathered plan, if they have one.
- If the employer migrates to an ACA plan, this would change their anniversary date to January 1.

11. What is an example of a Small Group employer that renews into their pre-ACA plan for a short contract year?

- For example, if an employer has a renewal date of March 1, 2019 and they renew into their grandfathered plan, their contract year would run from March 1 – December 31, 2019.
- At the end of 2019, they would need to migrate to an ACA plan with an effective date of January 1, 2020.
- From that date forward, their new anniversary date would be January 1 of each year and their billing date will become the first of the month, if it is not already.

12. How does a Small Group employer manage open enrollment for their employees if they renew into their existing pre-ACA plan for a short contract year?

- Depending on the employer, they may need to hold a second open enrollment if they have a short contract year. Using the example above of a March 1, 2019 renewal date, employers may need to have two open enrollment periods. It would look something like this:
 - Employees would select their benefits twice through two enrollment periods:
 - Enrollment 1: Select coverage that starts with the employer's anniversary date and ends on December 31, 2019.
 - Enrollment 2: Select an ACA plan that starts on January 1, 2020 with a new anniversary date of January 1.

13. What if a Small Group employer has both non-ACA grandfathered plans and grandfathered plans?

- Grandfathering is not impacted by the expiration of the Keep Your Plan transitional relief.
- A group can elect to renew as-is on their current anniversary date. Prior to January 1, 2019, Florida Blue will notify groups in their voluntary migration letter. At that time, the group can elect to move all employees to their grandfathered plan and keep their current anniversary date and billing date. If the group chooses to move everyone to an ACA plan, then the group will be renewed as of January 1, 2020 and will now have a January anniversary date and first of the month billing.
- For more details about how this option will play out, please see the details in the below chart:

	Option 1	Option 2	Option 3
	Keep your plan(s) for a short plan year. You may need to hold a second open enrollment	Keep your grandfathered plan(s) only	Change your plan(s) now
What will I experience with this option?	You'll get to keep your plan for the remainder of 2019.	On your renewal date, you can choose to keep only your grandfathered plan(s).	On your renewal date, you can choose to switch to a plan(s) that

		This would mean that all of your employees would move into your grandfathered plan(s).	includes ACA benefits.
How will my contract year be affected?	Your contract will end on December 31, 2019. Prior to this date, you'll be able to select an ACA plan(s).	Your contract and rates are guaranteed for 12 months.	Your contract and rates are guaranteed for 12 months.
How will my anniversary date be affected?	Your anniversary date for renewals will change to January 1.	Your anniversary date for renewals stays the same. There will be no need to change.	Your anniversary date for renewals stays the same. There will be no need to change.
How will my billing be affected?	Your billing will move to the first of the month.	Your billing will remain as-is.	Your billing will remain as-is.
How will my employees be affected?	<p>Your employees may need to select their benefits twice through two open enrollment periods:</p> <ul style="list-style-type: none"> • Open enrollment 1: Your employees will select coverage from your current health plan(s) that starts with your anniversary date and ends on December 31, 2019. • Open enrollment 2: Your employees will select an ACA plan(s) that starts on January 1, 2020 with a new anniversary date of January 1. 	Your employees will only have to enroll once this year based on your normal renewal cycle.	Your employees will only have to enroll once this year based on your normal renewal cycle.

14. Will we provide a crosswalk to agents for the equivalent ACA plans in 2019?

All pre-ACA plans will be mapped to their closest benefit match ACA plan.

15. What will happen to a group if they are non-responsive to their January 1, 2020 renewal?

- The group will be renewed into the appropriate mapped ACA plan(s) and the group will be billed accordingly. The group will be expected to pay their premium as billed.

16. Why would Small Group employers delay migrating to ACA plans and want to renew into their existing grandfathered plans?

- Small Group employers may want to delay migrating to ACA plans for many reasons, including rate changes, plan design and their own preference.
- Since rates vary significantly across benefit plans and based on employer demographics, migrating to an ACA plan can mean rate changes.
- The coverage included in many pre-ACA health plans may vary drastically from what an ACA plan will include.
- The ACA requires that Small Group ACA plans include specific medical and pharmacy coverage that many pre-ACA plans do not contain.
- The ACA required benefits that must be added to plans can also add some cost when compared to many of our grandfathered plans.

17. Will this change impact Large Groups that are in Small Group grandfathered plans?

Large groups enrolled in SG Pre-ACA plans will be able to keep their plan as long as they maintain 51+ members. If the group's average number of employees drops to 50 or less on any anniversary date after the group's 2019 anniversary, they will be required to select a plan from the SG ACA portfolio and migrate all

members to that plan.

18. How will groups that will be in a short contract year grandfathered plan(s) (ending December 31, 2019) be notified of the requirement that they need to migrate into an ACA plan by January 1, 2020?

Florida Blue will include that information in their voluntary migration letter. Florida Blue also encourages agents to have discussions with their groups that currently have grandfathered plans concerning their options to either keep their grandfathered plan(s) until the expiration date of December 31, 2019 and then migrate to an ACA plan, or to go ahead and move to an ACA plan at renewal. Groups with both grandfathered and grandfathered plans have additional options:

- Renew as-is in 2019 if anniversary is 10/1 or earlier (group keeps grandfathered status)
 - For January 1, 2020, groups can decide to move all employees to grandfathered plan and keep grandfathered status and anniversary
 - For January 1, 2020, groups can decide to migrate all employees to ACA, lose grandfathered status and have a January 1 anniversary date
- Migrate all employees to a grandfathered plan(s) at renewal and drop grandfathered plans (group keeps grandfathered status)
- Migrate all employees to a grandfathered plan(s) at renewal and their drop grandfathered plan(s) (group loses grandfathered status and must select a plan from the 2019 ACA Portfolio prior to January 1, 2020)
- Migrate all grandfathered/grandmothered employees to an ACA plan at renewal (group loses grandfathered status but can keep their current anniversary date).