STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

DON SUNDQUIST
GOVERNOR

DOUGLAS M. SIZEMORE
COMMISSIONER

BULLETIN

TO: **All Insurers**

FR: **Douglas M. Sizemore**

RE: **Tennessee Health Insurance Portability, Availability and Renewability Act**

DA: **May 12, 1997**

On April 30, 1997, the Governor signed into law Tennessee Public Chapter No. 157, which is intended to bring Tennessee into compliance with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Public Chapter 157 provides for, among other things, improved portability and continuity of health insurance coverage in the group and individual markets. This new Tennessee law adheres to the federal HIPAA provisions applicable to the health insurance market and, in order to facilitate the transition into the program, the Department of Commerce and Insurance plans to follow the recently-enacted interim final regulations issued by the U. S. Departments of Labor, Health and Human Services and Treasury for the implementation of the program in Tennessee. This Department will determine at a later date whether state regulations are necessary. Some specific clarifications of the new law are as follows:

INDIVIDUAL AVAILABILITY

Under HIPAA, all states had certain options for making individual health insurance coverage available without any preexisting condition exclusions to eligible individuals leaving, and no longer eligible for, group coverage. Tennessee chose to enact the basic requirements which are that all individual health insurance issuers must offer at least two (2) policy forms designed for, made generally available to, actively marketed to and enrolling both eligible and other individuals. Those two (2) policy forms may be either the issuer's two (2) most popular forms or two (2) representative policy forms as defined in the law. These provisions are found in Section 10 of Public Chapter 157.

As these individual availability provisions are effective July 1, 1997 all issuers currently in the individual health insurance market are asked to make their elections, and filings pursuant to those elections, as soon as possible, and at least by June 1, 1997, in order that the Department can begin the approval process. Any such issuer that has not made an election by July 1, 1997 will be required to make all individual coverages available, pursuant to Section 10(a), until an election has been

made. These elections are for a period of at least two (2) years and any changes, including leaving the individual market, will require the prior approval of the Department. The Department will maintain a listing of all individual market issuers for the convenience of individuals who may be eligible for coverage under Section 10.

CREDITABLE COVERAGE CERTIFICATIONS

All forms drafted and made a part of the federal regulations are acceptable for use in Tennessee and any issuer using those HCFA certification forms need not file them with the Department. Any issuer intending to use forms which vary in content from the HCFA forms must file those with the Department for prior approval.

FILINGS AND QUERIES

The filings required pursuant to Public Chapter 157 and any questions regarding the implementation of the new law may be addressed to Howard Magill, Director of the Life and Health Actuarial Section, Department of Commerce and Insurance, 4th Floor, 500 James Robertson Parkway, Nashville, Tennessee 37243.

DMS/JL/LSC

Attachment