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Relief for Mini-Med Plans from Restrictive MLR Rules

Yesterday, many plan sponsors of mini-med plans publicly noted that the upcoming MLR regulations may force them to terminate their mini-med plans. Currently, the NAIC has published draft rules. Next month HHS is required to take that draft and turn it into proposed regulations on the medical loss ratio standards. Moments ago the Director of OCIIO released a statement saying in part that when OCIIO releases the proposed MLR regulations, it fully intends to exercise discretion under the new law to address the special circumstances of mini-med plans in the medical loss ratio calculations. According to the Affordable Care Act, medical loss ratio "methodologies shall be designed to take into account the special circumstance of smaller plans, different types of plans, and newer plans." The director recognized that mini-med plans are often characterized by a relatively high expense structure relative to the lower premiums charged for these types of policies, and that OCIIO intends to address these and other special circumstances in the forthcoming MLR regulations.

See the link for the full press release:

http://www.hhs.gov/news/