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2019 Idaho Legislative Update: Enhanced Short-Term Health Insurance

Publication — November 2019

Republished with permission, originally appeared in the November 2019 issue of FORC (Federation of Regulatory Counsel) Alert

The 2019 Idaho legislature revised Idaho's individual health insurance statutes to create a new category of health insurance referred to as "enhanced short-term." The legislation dovetails with recent federal action to allow non-Affordable Care Act coverage to be renewable for up to 36 months. Under the new Idaho law, any plans that are renewable for more than 12 months must comply with benefit mandates and other consumer protections to be specified in administrative rules of the Department of Insurance. The Department issued its initial rule as a temporary rule that took effect on July 1, 2019. The highlights of that rule include:

1. Any health insurance coverage in Idaho that has a duration of more than six months (including renewals, extensions, or reissuances) must comply with the requirements for "enhanced short-term" coverage.
2. Any issuer of enhanced short-term coverage must also issue a qualified health plan on Idaho's health insurance exchange.
3. Enhanced short-term coverage is guaranteed issue, meaning no person can be denied a policy due to health status. No variance in premium based on gender is allowed, but medical underwriting is permitted. A healthier person will pay less than a person who has higher medical risk.
4. Enhanced short-term coverage is guaranteed renewable up to a total of 36 months.
5. When the limitation on renewal is reached, the carrier must offer the individual the option of reapplying for enhanced short-term or enrolling in fully renewable coverage.
6. A carrier cannot increase the premium of an individual upon reapplication by more than 15% for reasons related to adverse claims experience.
7. Enhanced short-term coverage counts as qualifying prior coverage, so pre-existing condition exclusions must be waived for the period-of-time a person had enhanced short-term coverage.
8. Carriers can choose to offer enhanced-short term on a year-round basis, in which case the carrier can impose a six-month waiting period on coverage for preexisting conditions. Or carriers can

choose to offer enhanced short-term during the open enrollment period for qualified health plans, in which case the carrier cannot impose waiting periods for preexisting conditions.

9. Enhanced short-term coverage must cover at least: outpatient services, emergency care, hospitalization, maternity and newborn care, mental health and substance abuse disorder services, prescription drugs, rehabilitation treatment, laboratory services, and preventative care.
10. The drug formulary must include at least one drug in each USP category and class, cover a range of drugs across a broad distribution of categories, classes, and treatment regimens, provide appropriate access to drugs in accordance with best practices.
11. Coinsurance cannot exceed 50% of covered charges, and the maximum out-of-pocket cannot exceed 4% of the aggregate annual limit on benefits.
12. The policy can have an annual limit on benefits that is not less than \$1 million.