



Ohio Revised Code

Section 3924.11 [Suspended eff. 1/1/2014 to 1/1/2026, per Section 3 of S.B. 9 of the 130th General Assembly, as amended] Reinsuring small employer groups or individuals.

Effective: March 22, 1999

Legislation: House Bill 698

Any member of the Ohio health reinsurance program may reinsure small employer groups or individuals in accordance with the following conditions and limitations:

(A) A small employer group or individual may be reinsured within sixty days after the commencement of the group's or individual's coverage under the plan.

(B)(1) The carrier may reinsure either the entire eligible group or any eligible individual, in accordance with the premium rates established in section 3924.12 of the Revised Code, upon commencement of the coverage.

(2) The carrier may reinsure an eligible employee, or the dependents of an eligible employee, who were previously excluded from group coverage for medical reasons, and shall reinsure such employees or dependents within sixty days after the carrier is required to include them in the group coverage.

(C) With respect to an OHC plan, the program shall reinsure the level of coverage provided.

(D) With respect to other plans issued to small employers, the program shall reinsure the level of coverage provided up to, but not exceeding, the level of coverage provided in an OHC carrier reimbursement plan. In the coverage provided to small employers, carriers shall be required to use high-cost care management, hospital precertification techniques, and other cost containment mechanisms established by the program.

(E) A carrier may not reinsure existing business, except pursuant to division (A) of this section.

(F) If an employer group is covered under a plan other than an OHC carrier reimbursement plan and



the carrier chooses to reinsure the group subsequent to the initial coverage period, or if a new individual joins the group and the carrier wants to reinsure that individual, the carrier shall not force the employer to change to an OHC carrier reimbursement plan. The carrier shall allow the employer to maintain the same benefit plan and reinsure only that portion of the plan that is consistent with an OHC carrier reimbursement plan.

(G) With respect to coverage provided to an individual acquired under section 3923.58 or a federally eligible individual acquired under section 3923.581 of the Revised Code, the following conditions and limitations apply:

(1) Within sixty days after the commencement of the initial coverage, any carrier may reinsure coverage of such an individual with the open enrollment reinsurance program in accordance with division (G) of this section. Premium rates charged for coverage reinsured by the program shall be established in accordance with section 3924.12 of the Revised Code.

(2) The board of directors of the Ohio health reinsurance program shall establish the open enrollment reinsurance fund for coverage provided under section 3923.58 of the Revised Code and, with respect to federally eligible individuals, coverage provided under section 3923.581 of the Revised Code. The fund shall be maintained separately from any reinsurance fund established for Ohio health care plans issued pursuant to sections 3924.07 to 3924.14 of the Revised Code. The board shall calculate, on a retrospective basis, the amount needed for maintenance of the open enrollment reinsurance fund and, on the basis of that calculation, shall determine the amount to be assessed each carrier that is required to provide open enrollment coverage.

Assessments shall be apportioned by the board among all carriers participating in the open enrollment reinsurance program in proportion to their respective shares of the total premiums, net of reinsurance premiums paid by a carrier for open enrollment coverage and net of reinsurance premiums paid by the carrier for all other individual health benefit plans, earned in this state from all health benefit plans covering individuals that are issued by all such carriers during the calendar year coinciding with or ending during the fiscal year of the open enrollment program, or on any other equitable basis reflecting coverage of individuals in this state as may be provided in the plan of operation adopted by the board. In no event shall the assessment of any carrier under this section exceed, on an annual basis, three per cent of its Ohio premiums for health benefit plans covering



individuals as reported on its most recent annual statement filed with the superintendent of insurance.

The board shall submit its determination of the amount of the assessment to the superintendent for review of the accuracy of the calculation of the assessment. Upon approval by the superintendent, each carrier shall, within thirty days after receipt of the notice of assessment, submit the assessment to the board for purposes of the open enrollment reinsurance fund.

(3) If the assessments made and collected pursuant to division (G)(2) of this section are not sufficient to pay the claims reinsured under division (G) of this section and the allocated administrative expenses, incurred or estimated to be incurred during the period for which the assessment was made, the secretary of the board shall immediately notify the superintendent, and the superintendent shall suspend the operation of open enrollment under section 3923.58 of the Revised Code and, with respect to federally eligible individuals, under section 3923.581 of the Revised Code until the board has collected in subsequent years through assessments made pursuant to division (G)(2) of this section an amount sufficient to pay such claims and administrative expenses.

(4)(a) Any carrier that is subject to open enrollment under section 3923.58 of the Revised Code may elect not to participate in the open enrollment reinsurance program under division (G) of this section by filing an application with the superintendent and obtaining the superintendent's approval. In determining whether to approve an application, the superintendent shall consider whether the carrier meets all of the following standards:

- (i) Demonstration by the carrier of a substantial and established market presence;
 - (ii) Demonstrated experience in the individual market and history of rating and underwriting individual plans;
 - (iii) Commitment to comply with the requirements of section 3923.58 of the Revised Code;
 - (iv) Financial ability to assume and manage the risk of enrolling open enrollment individuals without the need for, or protection of, reinsurance.
- (b) A carrier whose application for nonparticipation has been rejected by the superintendent may



appeal the decision in accordance with Chapter 119. of the Revised Code. A carrier that has received approval of the superintendent not to participate in the open enrollment reinsurance program shall, on or before the first day of December, annually certify to the superintendent that it continues to meet the standards described in division (G)(4)(a) of this section.

(c) In any year subsequent to the year in which its application not to participate has been approved, a carrier may elect to participate in the open enrollment reinsurance program by giving notice to the superintendent and board on or before the thirty-first day of December. If, after a period of nonparticipation, a carrier elects to participate in the open enrollment reinsurance program, the carrier retains the risks it assumed during the period when it was not participating.

(d) The superintendent may, at any time, authorize a carrier to modify an election not to participate if the risk from the carrier's open enrollment business jeopardizes the financial condition of the carrier. If the superintendent authorizes the carrier to again participate in the open enrollment reinsurance program, the carrier shall retain the risks it assumed during the period of nonparticipation.

(5)(a) The open enrollment reinsurance program shall be operated separately from the Ohio health reinsurance program.

(b) A carrier's election to participate in the open enrollment reinsurance program under division (G) of this section shall not be construed as an election to participate in the Ohio health reinsurance program under section 3924.07 of the Revised Code.