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BULLETIN NO. 2019-01

TO: All Health Maintenance Organizations authorized in Alabama

FROM: Jim L. Ridling
Commissioner of Insurance *JLR*

DATE: January 22, 2019

RE: Association Health Plans

EFFECTIVE: Immediate

The final Association Health Plans rule, published in the Federal Register June 21, 2018, as 83 FR 28912 by the U.S. Department of Labor (DOL), creates a new "pathway" for employers to form an Association Health Plan (AHP), offering more flexibility than previously existed. A discussion of the new rule may be viewed at <https://www.federalregister.gov/documents/2018/06/21/2018-12992/definition-of-employer-under-section-35-of-erisa-association-health-plans>.

Pursuant to 45 CFR § 147.104 (a), "a health insurer that offers health insurance coverage in the individual, small group, or large group market in a State must offer to any individual or employer in the State all products that are approved for sale in the applicable market, and must accept any individual or employer that applies for any of those products." In 45 CFR § 144.103, the definition of employer has been expanded to include "a group or association of employers" who join together to sponsor a group health insurance plan.

Compliance with these federal requirements may result in a change in the plan of operation of a health maintenance organization (HMO). Section 27-21A-2(d)(1), Code of Alabama 1975, and Rule 482-1-079-.03(2), requires an HMO to file a notice describing any material change in its plan of operations. The statute and regulation require this notice to be filed with the Commissioner and the State Health Officer. Any HMO intending to insure an AHP should file this required notice with the Commissioner and State Health Officer prior to implementing this change in operation.

JLR WR/YH/bc