

From: DMHC Licensing eFiling

Subject: APL 20-031 – Association Health Plans: Extension of “Phase-Out” Period Through February 28, 2021

Date: Friday August 21, 2020 12:31 PM

Attachments: APL 20-031 - Association Health Plans Extension of Phase-Out Period (8.21.2020).pdf

Dear Health Plan Representative:

Please see the attached APL 20-031, Association Health Plans: Extension of “Phase-Out” Period Through February 28, 2021.

Thank you.



Gavin Newsom, Governor
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ALL PLAN LETTER

DATE: August 21, 2020
TO: All Full-Service Health Care Service Plans¹
FROM: Sarah Ream, Acting General Counsel
SUBJECT: APL 20-031 – Association Health Plans: Extension of “Phase-Out” Period Through February 28, 2021

I. Background

On December 9, 2019, the Department of Managed Health Care (DMHC) issued All Plan Letter (APL) 19-024 reminding health plans, solicitors, brokers and others that in California, group coverage may not be sold to individual subscribers directly or “indirectly through any arrangement.”² A copy of APL 19-024 can be found [here](#).

Due to the COVID-19 state of emergency, on May 5, 2020, the DMHC issued APL 20-019 to extend the end of the phase-out period through October 31, 2020. A copy of APL 20-019 can be found [here](#).

The DMHC is now extending the end of the phase-out period through February 28, 2021. Beginning March 1, 2021, health plans may not renew large group coverage for small employers or individuals, regardless of the arrangement by which the small employer or individual purchased the coverage.

If you have questions or concerns regarding this APL, please contact Sarah Ream, Acting General Counsel, at (916) 324-2522 or via email at sarah.ream@dmhc.ca.gov.

¹ APL 19-024 did not specifically exclude specialized health care service plans. However, SB 1375 (2018) does not apply to specialized plans. Accordingly, this APL and APLs 20-019 and 19-024 do not apply to specialized plans.

² Health and Safety Code sections 1399.802 and 1399.846. All statutory citations refer to the Health and Safety Code unless otherwise noted.