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**Edmund G. Brown Jr.**  
*Governor*

**Brent A. Barnhart**  
*Director*  
*Department of Managed Health Care*

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**DATE: October 31, 2013**

**LETTER No. 14**

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**MODEL NOTICE TEMPLATE ADOPTED PURSUANT TO AB 1180**

Pursuant to authority granted in Health and Safety Code section 1373.620 (AB 1180, ch. 441, stats. 2013),<sup>1</sup> the Department adopts the model notice template attached to this letter, entitled "***Your Health Insurance Choices Are Different. You May Qualify for Free or Low-Cost Health Insurance.***" The model notices are intended to inform recipients that they may be eligible for free coverage through Medi-Cal or low-cost coverage through Covered California, if certain requirements are met.

Instructions:

- 1) From the options on page one of the template model notice, the health plan should select the introductory paragraph appropriate for the target population, as specified in the relevant statute. The notice provided to an enrollee or subscriber should contain only the appropriate introductory paragraph from the available options. No inapplicable options should appear in the notice sent to the enrollee or subscriber.

The template contains introductory language options specific to the following scenarios and statutes:

- Section 1366.50 (AB 792) – provided when an enrollee or subscriber ceases to be enrolled in coverage.
- Section 1373.620(a) (AB 1180) – provided to a subscriber of non-grandfathered conversion coverage from a health plan that does not

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<sup>1</sup> All section references are to the Health and Safety Code.

- otherwise issue individual health care service plan contracts (conversion “lookalike” product) at least 60 days prior to the plan renewal date.
- Section 1373.620(b) (AB 1180) – provided to a subscriber of HIPAA or conversion coverage from a health plan that issues other products in the individual market at least 60 days prior to the plan renewal date.
  - Section 1373.622 (AB 1180) – provided to enrollees of Guaranteed Issue Pilot program plan contracts terminating 1/1/2014.
  - Section 1373.622 (AB 1180) – provided to enrollees of Guaranteed Issue Pilot program plan contracts not terminating.
  - Section 1399.861(SBX1 2) – provided annually to subscribers of grandfathered plans in the individual market.
- 2) Insert the body text that appears on page two of the template. The body text complies with all statutes listed above.
- 3) Delete and replace the language inside < > brackets as instructed in the template, if necessary, including the following:
- Insert the name of the health plan where specified.
  - Revise the notice with the appropriate Open Enrollment dates for any notices sent on or after March 31, 2014.
  - Revise the telephone numbers for Covered California or the Office of the Patient Advocate, if different than those in the template.
  - When providing the model notice required under Section 1373.620(b), pertaining to HIPAA or conversion coverage, insert information regarding the health plan’s most comparable 2014 individual health plan contract, applicable premium, and payment due date for continuing coverage.
- 4) Delete the “< >” symbols so the brackets so that they do not appear in the notice sent to the subscriber or enrollee.
- 5) Delete instructive text inside [ ] brackets and the “[ ]” symbols themselves so that they do not appear in notice sent to the subscriber or enrollee.
- 6) The notices must be printed in at least 12-point type, unless otherwise specified in statute.<sup>2</sup>

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<sup>2</sup> Sections 1366.50; 1373.620 subdivisions (a) and (b); 1373.622, subdivision (a)(2)(B).

**MODEL NOTICE ADOPTED PURSUANT TO SBX1 2**

Pursuant to authority granted in Health and Safety Code section 1399.829 (SBX1 2, ch. 2, stats. 2013), the Department adopts the model notice attached to this Director's Letter, entitled "**2014 Health Care Changes for Your Children**". The notice is intended to inform certain enrollees and applicants about the affordable health coverage options available for children in 2014, including Medi-Cal and subsidized coverage purchased through Covered California.

This notice must be provided to all new applicants and to enrollees renewing coverage under Article 11.7 of the Knox-Keene Health Care Service Plan Act of 1975, pertaining to individual coverage for children under the age of 19.<sup>3</sup> Article 11.7 sunsets on January 1, 2014.<sup>4</sup>

Instructions:

- 1) To satisfy Section 1399.829, the health plan must provide the "**2014 Health Care Changes for Your Children**" notice adopted in this Director's Letter. The health plan may not substantially modify any part of the model notice without DMHC's prior written approval.
- 2) The notice must be printed in at least 14-point type.<sup>5</sup>

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All notices must be provided within the timeframes specified in the applicable statutes. Health plans that have already sent DMHC-approved notices to enrollees, subscribers, or applicants pursuant to these statutes are not required to resend notices. The provisions of this Director's Letter apply only to the notices and do not change the filing requirements with respect to any other requirements of the Knox-Keene Act, such as Section 1365.

These model notices were developed in consultation with the Department of Insurance, the California Health Benefit Exchange (Covered California) and stakeholders. Subject to the approval of an amendment filed pursuant to Section 1352, the DMHC may permit nonsubstantive modifications to the model notice language when necessary and appropriate to advise affected enrollees of their rights under specific health plan contracts.

This Director's Letter and the notices adopted herein do not apply to health plan

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<sup>3</sup> Section 1399.829, subdivision (g).

<sup>4</sup> Section 1399.836.

<sup>5</sup> Section 1399.829, subdivision (g)(2).

contracts in the Medi-Cal, the Healthy Families or the Access for Infants and Mothers programs; Medicare Supplement contracts; or specialized health plan contracts.

If you have any questions regarding the model notices adopted in this letter, please contact your plan's assigned reviewer in the Office of Plan Licensing.

By   
Brent A. Barnhart,  
Director  
Department of Managed Health Care