



**For Immediate Release:**  
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**STREAMLINED HEALTH INSURANCE RULES ARE**  
**GOOD NEWS FOR CONSUMERS**

The New York State Conference of Blue Cross and Blue Shield Plans (NYSCOP) is pleased that Governor Cuomo approved legislation to streamline health insurance rules relating to consumer notifications.

The new law, Chapter 317 of the Laws of 2017, was championed by Senator James Seward and Assemblyman Kevin Cahill. It creates a consistent requirement for all individual and group insurance companies to notify consumers 90 days prior to discontinuing any health insurance product.

“This common-sense legislation both adds a level of additional rationale to the product discontinuance process and also minimizes confusion and uncertainty for consumers as they choose their health insurance coverage. We applaud Assemblyman Kevin Cahill and Senator Jim Seward, as well as the Governor, for making this win-win a reality,” said Deborah Fasser of NYSCOP.

Previously, not-for-profit (NFP) health insurers and health maintenance organizations (HMOs) were required to provide the notice of the discontinuance of an individual insurance product five months prior to its termination.

With virtually all individual insurance policies being renewed on January 1, notices issued by NFP insurers and HMOs were required to be mailed by August 1 of the preceding year. This date is prior to the: finalization of rates approved by the Department of Financial Services (DFS); final approval of policy forms; and the date insurers must decide whether to participate in the New York State of Health marketplace.

This extended time frame was harmful as it required insurers to make premature decisions regarding various policies, increasing the potential for product termination.

It also caused confusion for consumers because insurers were required to issue notices of discontinuance for products that they may ultimately have decided to continue, depending on the final approved rate. Consumers are not even able to begin looking for another product as other product options in the market are not available.

Adding to the confusion, commercial insurers offering individual coverage and all payers (commercial, NFP and HMO) offering group coverage are required to issue a notice of discontinuance of an insurance product 90 days prior to the termination of that product.

This legislation eliminates the arbitrary distinctions among the timelines and enacts a more meaningful and less confusing timeframe which will only benefit consumers.

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