LEGISLATURE OF THE STATE OF IDAHO
Sixty-fourth Legislature First Regular Session - 2017

IN THE SENATE

SENATE BILL NO. 1150

BY STATE AFFAIRS COMMITTEE

AN ACT
RELATING TO INSURANCE; AMENDING SECTION 41-5501, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING SECTION 41-5503, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE PLAN OF OPERATION FOR THE IDAHO INDIVIDUAL HIGH RISK REINSURANCE POOL; AMENDING SECTION 41-5504, IDAHO CODE, TO REVISE PROVISIONS REGARDING POWERS AND AUTHORITY OF THE POOL; AMENDING SECTION 41-5505, IDAHO CODE, TO REVISE PROVISIONS REGARDING REINSURANCE; AMENDING SECTION 41-5506, IDAHO CODE, TO REVISE PROVISIONS REGARDING REINSURANCE PREMIUM RATES; AMENDING SECTION 41-5507, IDAHO CODE, TO REVISE PROVISIONS REGARDING PREMIUM RATES AND TO PROVIDE THAT CARRIERS SHALL NOT ISSUE HIGH RISK POOL PLANS AFTER A CERTAIN DATE; AMENDING SECTION 41-5508, IDAHO CODE, TO REVISE PROVISIONS REGARDING ASSESSMENTS; REPEALING SECTION 41-5509, IDAHO CODE, RELATING TO STANDARDS FOR AGENTS; AMENDING SECTION 41-5510, IDAHO CODE, TO REDESIGNATE THE SECTION AND TO REVISE PROVISIONS REGARDING ELIGIBILITY; REPEALING SECTION 41-5511, IDAHO CODE, RELATING TO DESIGN OF PRODUCTS; AND AMENDING SECTION 41-5203, IDAHO CODE, TO REVISE DEFINITIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-5501, Idaho Code, be, and the same is hereby amended to read as follows:

41-5501. DEFINITIONS. As used in this chapter:
(1) "Agent" means a producer as defined in section 41-1003(8), Idaho Code.
(2) "Board" means the board of directors of the Idaho individual high risk individual reinsurance pool established in this chapter and the Idaho small employer health reinsurance program established in section 41-4711, Idaho Code.
(3) "Carrier" means any entity that provides, or is authorized to provide, health insurance in this state. For purposes of this chapter, carrier includes an insurance company, any other entity providing reinsurance including excess or stop loss coverage, a hospital or professional service corporation, a fraternal benefit society, a managed care organization, any entity providing health insurance coverage or benefits to residents of this state as certificate holders under a group policy issued or delivered outside of this state, and any other entity providing a plan of health insurance or health benefits subject to state insurance regulation.
(4) "Dependent" in any new or renewing plan means a spouse, an unmarried child under the age of twenty-five (25) years and who receives more than one-half (1/2) of his financial support from the parent, an unmarried child of any age who is medically certified as disabled and dependent upon the parent or any other individual listed as having coverage under the primary policy holder's or subscriber's health benefit plan.
(5) "Director" means the director of the department of insurance of the state of Idaho.

(6) "Eligible individual" means an Idaho resident individual or dependent of an Idaho resident who is:

(a) An Idaho resident individual or dependent of an Idaho resident who is under the age of sixty-five (65) years, is not eligible for coverage under a group health benefit plan, part A or part B of title XVIII of the social security act (medicare), or a state plan under title XIX (medicaid) or any successor program, and who does not have other health insurance coverage; or and

(b) An individual who is legally domiciled in Idaho on the date of application to the pool and is eligible for the credit for health insurance costs under section 35 of the Internal Revenue Code of 1986; or

Enrolled in an individual health benefit plan.

(c) An Idaho resident individual or a dependent of an Idaho resident who is a federally eligible individual (one who meets the eligibility criteria set forth in the federal health insurance portability and accountability act of 1996 Public Law 104-191, Sec. 2741(b) (HIPAA)).

Coverage under a basic, standard, catastrophic A, catastrophic B, or HSA compatible health benefit plan shall not be available to any individual who is covered under other health insurance coverage, except as provided in section 41-5510(4), Idaho Code. For purposes of this chapter, to be eligible, an individual must also meet the requirements of section 41-5510, Idaho Code.

(7) "Health benefit plan" means any hospital or medical policy or certificate, any subscriber contract provided by a hospital or professional service corporation, or health maintenance organization subscriber contract. Health benefit plan does not include policies or certificates of insurance for specific disease, hospital confinement indemnity, accident-only, credit, dental, vision, medicare supplement, long-term care, or disability income insurance, student health benefits only, coverage issued as a supplement to liability insurance, worker's compensation or similar insurance, automobile medical payment insurance, or nonrenewable short-term coverage issued for a period of twelve (12) months or less.

(8) "Individual basic health benefit plan" means a lower cost health benefit plan developed pursuant to section 41-5511, Idaho Code. "High risk medical condition" means a medical condition or diagnosis identified by the board in its plan of operation as making an individual eligible for reinsurance through the pool.

(9) "Individual carrier" means a carrier that offers health benefit plans covering eligible individuals and their dependents.

(10) "Individual catastrophic A health benefit plan" means a higher limit health benefit plan developed pursuant to section 41-5511, Idaho Code.

(11) "Individual catastrophic B health benefit plan" means a health benefit plan offering limits higher than a catastrophic A health benefit plan developed pursuant to section 41-5511, Idaho Code.

(12) "Individual HSA compatible health benefit plan" means a health savings account compatible health benefit plan developed pursuant to section 41-5511, Idaho Code.
(12) "Individual standard health benefit plan" means a health benefit plan developed pursuant to section 41-5511, Idaho Code.

(14) "Plan," or "High risk pool plan" means the an individual basic, standard, catastrophic A, catastrophic B, or HSA compatible health benefit plan established issued pursuant to section 41-5511, Idaho Code this chapter prior to April 1, 2017.

(15) "Plan of operation" means the plan of operation of the individual high risk reinsurance pool established pursuant to this chapter.

(16) "Pool" means the Idaho high risk reinsurance pool.

(17) "High risk pool plan premium" means all moneys paid by an individual and eligible dependents or a dependent as a condition of receiving coverage from a carrier, including any fees or other contributions associated with the health benefit plan.

(11) "Individual carrier" means a carrier that offers individual health benefit plans.

(12) "Plan of operation" means the plan of operation of the individual high risk reinsurance pool established pursuant to this chapter.

(13) "Pool" means the Idaho high risk reinsurance pool.

(18) "Qualifying previous coverage" and "qualifying existing coverage" mean benefits or coverage provided under:

(a) Medicare or medicaid, civilian health and medical program for uniformed services (CHAMPUS), the Indian health service program, a state health benefit risk pool, or any other similar publicly sponsored program; or
(b) Any group or individual health insurance policy or health benefit arrangement whether or not subject to the state insurance laws, including coverage provided by a managed care organization or a fraternal benefit society.

(19) "Reinsurance premium" means the premium set by the board pursuant to section 41-5506, Idaho Code, to be paid by a reinsuring carrier for plans issued under eligible individuals ceded to the pool.

(20) "Reinsuring carrier" means a carrier participating in the individual high risk reinsurance pool established by this chapter.

(21) "Restricted network provision" means any provision of a health benefit plan that conditions the payment of benefits, in whole or in part, on the use of health care providers that have entered into a contractual arrangement with the carrier to provide health care services to covered individuals.

SECTION 2. That Section 41-5503, Idaho Code, be, and the same is hereby amended to read as follows:

41-5503. PLAN OF OPERATION. (1) The board shall submit to the director a plan of operation and thereafter any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the pool. The director may, after notice and hearing, approve the plan of operation if the director determines it to be suitable to assure the fair, reasonable and equitable administration of the pool, and to provide for the sharing of pool gains or losses on an equitable and proportionate basis in accordance with the provisions of this chapter. The plan of operation shall become effective upon written approval by the director.
(2) If the board fails to submit a suitable plan of operation, the director shall, after notice and hearing, adopt and promulgate a temporary plan of operation. The director shall approve the plan of operation submitted by the board, or adopt a temporary plan of operation if the board fails to submit a suitable plan. The director shall amend or rescind any plan adopted under the provisions of this section at the time a plan of operation is submitted by the board and approved by the director.

(3) The plan of operation shall:

(a) Establish procedures for handling and accounting of pool assets and moneys and for an annual fiscal reporting to the director;
(b) Establish procedures for selecting an administrator, and setting forth the powers and duties of the administrator;
(c) Establish procedures for reinsuring risks in accordance with the provisions of this chapter;
(d) Establish procedures and conditions for a carrier to cede individuals with certain high risk medical conditions;
(e) Define the high risk medical conditions for which carriers are allowed to cede for reinsurance;
(f) Set forth the reinsurance parameters including, but not limited to, the initial level of claims for which the reinsuring carrier is responsible, the coinsurance percentage at which claims above the initial level are reinsured by the pool, and the maximum claims limit above which the pool no longer reimburses;
(g) Establish procedures for collecting assessments from carriers to fund claims and administrative expenses incurred or estimated to be incurred by the pool; and

(h) Provide for any additional matters necessary for the implementation and administration of the pool.

SECTION 3. That Section 41-5504, Idaho Code, be, and the same is hereby amended to read as follows:

41-5504. POWERS AND AUTHORITY. (1) The pool shall have the general powers and authority granted under the laws of this state to insurance companies and managed care organizations licensed to transact business, except the power to issue health benefit plans directly to individuals. In addition thereto, the pool shall have the specific authority to:

(a) Enter into contracts as are necessary or proper to carry out the provisions and purposes of this chapter, including the authority, with the approval of the director, to enter into contracts with similar programs of other states for the joint performance of common functions or with persons or other organizations for the performance of administrative functions;
(b) Sue or be sued, including taking any legal actions necessary or proper to recover any assessments and penalties for, on behalf of, or against the pool or any carrier;
(c) Define the high risk medical conditions for which carriers shall allow coordination of benefits, high risk medical conditions for which reinsurance will be provided, and to issue reinsurance policies, in accordance with the requirements of this chapter;
(d) Establish rules, conditions and procedures for reinsuring risks under the pool;
(e) Establish actuarial functions as appropriate for the operation of the pool;
(f) Assess carriers in accordance with the provisions of section 41-5508, Idaho Code, and make advance interim assessments of carriers as may be reasonable and necessary for organizational and interim operating expenses. Any interim assessments shall be credited as offsets against any regular assessments due following the close of the fiscal year;
(g) Appoint appropriate legal, actuarial and other committees as necessary to provide technical assistance in the operation of the pool, policy and other contract design, and any other function within the authority of the pool;
(h) Borrow money to effect the purposes of the pool. Any notes or other evidence of indebtedness of the pool not in default shall be legal investments for carriers and may be carried as admitted assets;
(i) Establish rules, policies and procedures as may be necessary or convenient for the implementation of this chapter and the operation of the pool.

(2) Neither the board nor its employees shall be liable for any obligations of the pool. No member or employee of the board shall be liable, and no cause of action of any nature may arise against them, for any act or omission related to the performance of their powers and duties under this chapter, unless such act or omission constitutes willful or wanton misconduct. The board may provide for indemnification of, and legal representation for, its members and employees.

(3) No participation of a reinsuring carrier in the pool, no establishment of rates, forms or procedures, and no other joint or collective action required under the provisions of this chapter shall be grounds for any legal action, criminal or civil liability, or penalty against the pool or any of its reinsuring carriers either jointly or separately.

SECTION 4. That Section 41-5505, Idaho Code, be, and the same is hereby amended to read as follows:

41-5505. REINSURANCE. (1) Any individual carrier issuing an individual basic, standard, catastrophic A, catastrophic B, or HSA compatible health benefit plan as provided in this chapter shall be reinsured by the pool to the level of coverage provided in the plan and shall be liable to the pool for the reinsurance premium and shall be reinsured by the pool for each eligible individual ceded in accordance with section 41-5509, Idaho Code, and the plan of operation.

(2) (a) The pool shall not reimburse a reinsuring carrier with respect to the claims of a reinsured individual or dependent until the carrier has incurred an initial level of claims for such individual or dependent of five thousand dollars ($5,000) in a calendar year for benefits covered by the pool. In addition, the reinsuring carrier shall be responsible for ten percent (10%) of the next twenty-five thousand dollars ($25,000) of benefit payments during a calendar year and the pool shall reinsure the remainder.
(b) The board annually may adjust the initial level of claims and the
maximum limit to be retained by the carrier to reflect increases in
costs and utilization within the standard market for health benefit
plans within the state. The adjustment shall not be less than the annual
change in the medical component of the "Consumer Price Index for All Ur-
ban Consumers" of the department of labor, bureau of labor statistics,
unless the board proposes and the director approves a lower adjustment
factor. Ceded eligible individual incurred during the calendar year and
paid by the reinsuring carrier for benefits covered by the health bene-
fit plan, in accordance with the reinsurance parameters set forth in the
plan of operation.
(a) The board may annually adjust the reinsurance parameters by sub-
mitting an amendment to the plan of operation in accordance with sec-
tion 41-5503(1), Idaho Code. The adjustments may reflect increases in
costs and utilization within the individual market for health benefit
plans but must consider the availability of pool funding and the stabili-
ty of the individual health insurance market, as well as any objectives
stated in the plan of operation.
(b) The board shall not submit for approval by the director a plan of
operation or an amendment thereto with an initial level of less than
twenty-five thousand dollars ($25,000) or a reinsuring carrier coin-
surance percentage of less than twenty percent (20%).
(3) A reinsuring carrier shall apply all managed care and claims
handling techniques, including utilization review, individual case manage-
ment, preferred provider provisions, and other managed care provisions or
methods of operation consistently with respect to reinsured and nonrein-
sured business.
(4) Each carrier shall make a filing with the director containing the
carrier's earned health insurance premium derived from health benefit plans
delivered or issued for delivery in this state in the previous calendar year.
(5) Each carrier shall file with the director, in a form and manner to
be prescribed by the director, an annual report. The report shall state the
number of resident persons insured under the carrier's health benefit plan,
or through excess or stop loss coverage.
(6) Carriers shall permit individuals and their dependents covered by
a high risk pool plan to remain on the high risk pool plan as long as the in-
dividual continues to meet the conditions of section 41-5501(6)(a), Idaho
Code.

SECTION 5. That Section 41-5506, Idaho Code, be, and the same is hereby
amended to read as follows:

41-5506. REINSURANCE PREMIUM RATES. (1) The board, as part of the plan
of operation, shall establish a methodology for determining reinsurance
premiun rates to be charged reinsuring carriers to reinsure individuals un-
der this chapter. The methodology shall include a system for classification
of individuals that reflects the types of case characteristics commonly
used by individual carriers in the state. The methodology shall provide for
the development of base reinsurance premium rates, subject to the approval
of the director, which shall be set at levels which reasonably approximate
gross premiums charged to individuals by individual carriers for health
benefit plans with benefits similar to the standard health benefit plan, adjusted to reflect retention levels required under the provisions of this chapter. Rate adjustments under the provisions of this subsection shall not be subject to the provisions of section 41-5206, Idaho Code.

(2) The board periodically shall review the methodology established under the provisions of subsection (1) of this section, including the system of classification and any rating factors, to assure that it reasonably reflects the claims experience of the pool. The board may propose changes to the methodology which shall be subject to the approval of the director.

(3) The board may consider adjustments to the reinsurance premium rates charged by the pool to reflect the use of effective cost containment and managed care arrangements.

SECTION 6. That Section 41-5507, Idaho Code, be, and the same is hereby amended to read as follows:

41-5507. PREMIUM RATES FOR HIGH RISK POOL PLAN COVERAGE. (1) For high risk pool plans issued prior to April 1, 2017, the board shall establish premium rates for coverage under the individual basic, standard, catastrophic A, catastrophic B, and HSA compatible health benefit high risk pool plans.

(2) Separate schedules of premium rates based on age, individual tobacco use, geography as defined by rule of the director, gender and benefit plan design shall apply for individual risks.

(3) The board, with the assistance of the director and in accordance with appropriate actuarial principles, shall determine a standard risk rate by using the average rates that individual standard risks in this state are charged by at least five (5) of the largest health insurance carriers providing individual health insurance coverage to residents of Idaho that is substantially similar to the coverage offered by each high risk pool plan. In determining the average rate or charges of those health insurance carriers, the rates charged by those carriers shall be actuarially adjusted to determine the rate that would have been charged for benefits similar to those provided by each plan. The standard risk rates shall be established using reasonable actuarial techniques and shall reflect anticipated claims experience, expenses, and other appropriate risk factors for such coverage.

(4) Rates for plan coverage shall not be less than one hundred twenty-five percent (125%) nor more than one hundred fifty percent (150%) of rates established as applicable for individual standard risks pursuant to subsection (3) of this section.

(5) Carriers shall not issue high risk pool plans as defined in section 41-5501(9), Idaho Code, after April 1, 2017.

SECTION 7. That Section 41-5508, Idaho Code, be, and the same is hereby amended to read as follows:

41-5508. ASSESSMENTS. (1) Prior to March 1 of each year, the board shall determine and report to the director the pool's net loss for the previous calendar year, including administrative expenses and incurred losses for the year, taking into account investment income and other appropriate
gains and losses, and any premium tax funds appropriated to the pool pursuant to section 41-406, Idaho Code.

(2) Any net loss for the year shall may be recouped by assessments of carriers.

(3) (a) For the assessment of March 1, 2001, and prior to March 1 of each succeeding year, the board shall determine and file with the director an estimate of the assessments needed to fund the losses incurred by the pool in the previous calendar year.

(b) The individual assessments shall be determined by multiplying net losses, if net earnings are negative, as defined by subsection (1) of this section, by a fraction, the numerator of which shall be the carrier's total premiums earned in the preceding calendar year from all health benefit plans and policies or certificates of insurance for specific disease, and hospital confinement indemnity in this state as reported in the carrier's reports filed pursuant to section 41-5505(4) and (5), Idaho Code, including reinsurance by way of excess or stop loss coverage, and the denominator of which shall be the total premiums earned in the preceding calendar year from all health benefit plans and policies or certificates of insurance for specific disease and hospital confinement indemnity in this state, including reinsurance by way of excess or stop loss coverage.

(4) If assessments exceed net losses of the pool, the excess shall be held at interest and used by the board to offset future losses or to reduce pool premiums. As used in this paragraph, "future losses" includes reserves for incurred but not reported claims.

(5) Each carrier's proportion of the assessment shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the carriers with the director.

(6) The plan of operation shall provide for the imposition of an interest penalty for late payment of assessments.

(7) A carrier may seek from the director a deferment from all or part of an assessment imposed by the board. The director may defer all or part of the assessment if the director determines that the payment of the assessment would place the carrier in a financially impaired condition. If all or part of an assessment against a carrier is deferred the amount deferred shall be assessed against the other carriers in a manner consistent with the basis for assessment set forth in this section. The carrier receiving the deferment shall remain liable to the pool for the amount deferred and shall be prohibited from reinsuring any individuals with the pool until such time as it pays the assessments.

SECTION 8. That Section 41-5509, Idaho Code, be, and the same is hereby repealed.

SECTION 9. That Section 41-5510, Idaho Code, be, and the same is hereby amended to read as follows:

41-551009. CEDING ELIGIBILITY. (1) Any eligible individual person, who is and continues to be a resident shall be eligible for coverage under an individual basic, standard, catastrophic A, catastrophic B, and HSA compatible health benefit plan if evidence is provided that:
(a) Such person has been rejected by one (1) individual carrier on the basis of health status or claims experience; or
(b) An individual carrier refuses to issue a health benefit plan providing coverage substantially similar to coverage offered under an equivalent pool plan except at a rate exceeding the rate for the pool plan; or
(c) Such person is a federally eligible individual; or
(d) Such person is legally domiciled in Idaho on the date of application to the pool and is eligible for the credit for health insurance costs under section 35 of the Internal Revenue Code of 1986. In addition, if such person maintained creditable health insurance coverage for an aggregate period of three (3) months or of the date on which the individual seeks to enroll in pool coverage, not counting any period prior to a sixty-three (63) day break in coverage;

(i) The preexisting condition limitation set forth in section 41-5208, Idaho Code, shall not apply; and
(ii) The requirement for exhaustion of any available coverage under title X of the consolidated omnibus budget reconciliation act of 1986, public law 99-272 (COBRA) or state continuation benefits is waived.

(2) A rejection or refusal by a carrier offering only stop loss, excess of loss or reinsurance coverage with respect to an applicant under subsection (1) of this section shall not constitute sufficient evidence for purposes of subsection (1) of this section.

(3) Each resident dependent of a person who is eligible for coverage under the pool shall also be eligible for coverage under the pool.

(4) Any eligible individual person meeting the eligibility requirements of subsection (1), (2) or (3) of this section shall be eligible for coverage under a pool plan even though the person has existing coverage under other health insurance or under a group health plan provided:

(a) there is a reasonable probability that the lifetime benefit maximum of the existing coverage will be exceeded within ninety (90) days; and
(b) the lifetime benefit maximum under the existing coverage is at least five hundred thousand dollars ($500,000). In all cases, coverage under a pool plan is secondary to the existing coverage and all other insurance.

(5) A person shall not be eligible for coverage under a pool plan if:

(a) The person is not a federally eligible individual and, except as provided otherwise in subsection (4) of this section, has or obtains health insurance coverage substantially similar to or more comprehensive than a pool plan, or would be eligible to have such coverage at a rate not exceeding the rate for the pool plan if the person elected to obtain it;

(b) The person is determined to be eligible for health care benefits under medicaid;

(c) The person has previously terminated pool plan coverage unless twelve (12) months have lapsed since such termination; provided however, that this provision shall not apply with respect to an applicant who is a federally eligible individual;

(d) The person is an inmate or resident of a state or other public institution, or a state, local or private correctional facility; provided
however, that this provision shall not apply with respect to an applicant who is a federally eligible individual. The pool shall provide reinsurance to any eligible individual who qualifies for reinsurance pursuant to this chapter if evidence is provided that such person has a qualifying high-risk medical condition as defined by section 41-5501(8), Idaho Code.

(42) Notwithstanding any other provision of this chapter, eligibility for continuation of coverage under COBRA shall not render a person ineligible for reinsurance coverage under a pool plan this chapter.

(43) Coverage Reinsurance through the pool shall cease:
(a) On the first day of the month following the date a person is no longer a resident of this state;
(b) On the first day of the month following the date a person requests coverage to under the individual health benefit plan ends;
(c) Upon the death of the covered person;
(d) At the option of the board, thirty (30) days after the plan makes any inquiry concerning the person's eligibility or place of residence to which the person does not reply.

(44) Reinsurance for a person who ceases to meet the eligibility requirements of this section chapter may be terminated on the first day of the month following the date when the individual becomes ineligible.

SECTION 10. That Section 41-5511, Idaho Code, be, and the same is hereby repealed.

SECTION 11. That Section 41-5203, Idaho Code, be, and the same is hereby amended to read as follows:

41-5203. DEFINITIONS. As used in this chapter:
(1) "Actuarial certification" means a written statement by a member of the American academy of actuaries or other individual acceptable to the director that an individual carrier is in compliance with the provisions of section 41-5206, Idaho Code, based upon the person's examination and including a review of the appropriate records and the actuarial assumptions and methods used by the individual carrier in establishing premium rates for applicable health benefit plans.
(2) "Affiliate" or "affiliated" means any entity or person who directly or indirectly through one (1) or more intermediaries, controls or is controlled by, or is under common control with, a specified entity or person.
(3) "Agent" means a producer as defined in section 41-1003(8), Idaho Code.
(4) "Base premium rate" means, as to a rating period, the lowest premium rate charged or that could have been charged under a rating system by the individual carrier to individuals with similar case characteristics for health benefit plans with the same or similar coverage.
(5) "Carrier" means any entity that provides health insurance in this state. For purposes of this chapter, carrier includes an insurance company, a hospital or professional service corporation, a fraternal benefit society, a health maintenance organization, any entity providing health insurance coverage or benefits to residents of this state as certificate holders under a group policy issued or delivered outside of this state, and any
other entity providing a plan of health insurance or health benefits subject
to state insurance regulation.
(6) "Case characteristics" means demographic or other objective char-
acteristics of an individual that are considered by the individual carrier
in the determination of premium rates for the individual, provided that
claim experience, health status and duration of coverage shall not be case
characteristics for the purposes of this chapter.
(7) "Control" shall be defined in the same manner as in section
41-3802 (2), Idaho Code.
(8) "Dependent" in any new or renewing plan means a spouse, an unmarried
child under the age of twenty-five (25) years and who receives more than one-
half (1/2) of his financial support from the parent, or an unmarried child of
any age who is medically certified as disabled and dependent upon the parent.
(9) "Director" means the director of the department of insurance of the
state of Idaho.
(10) "Eligible individual" means an Idaho resident individual or depend-
tent of an Idaho resident:
(a) Who is under the age of sixty-five (65) years, is not eligible for
coverage under a group health plan, part A or part B of title XVIII of the
social security act (medicare), or a state plan under title XIX (medic-
aid) or any successor program, and who does not have other health insur-
cance coverage; or
(b) Who is a federally eligible individual (one who meets the eligibil-
ity criteria set forth in the federal health insurance portability and
accountability act of 1996 Public Law 104-191, Sec. 2741(b) (HIPAA)).
An "eligible individual" can be the dependent of an eligible employee, which
eligible employee is receiving health insurance benefits subject to the reg-
ulation of title 41, Idaho Code.
(11) "Established geographic service area" means a geographic area, as
approved by the director and based on the carrier's certificate of authority
to transact insurance in this state, within which the carrier is authorized
to provide coverage.
(12) "Health benefit plan" means any hospital or medical policy or
certificate, any subscriber contract provided by a hospital or profes-
sional service corporation, or health maintenance organization subscriber
contract. Health benefit plan does not include policies or certificates
of insurance for specific disease, hospital confinement indemnity, acci-
dent-only, credit, dental, vision, medicare supplement, long-term care, or
disability income insurance, student health benefits only, coverage issued
as a supplement to liability insurance, worker's compensation or similar in-
surance, automobile medical payment insurance, or nonrenewable short-term
coverage issued for a period of twelve (12) months or less.
(13) "Index rate" means, as to a rating period for individuals with
similar case characteristics, the arithmetic average of the applicable base
premium rate and the corresponding highest premium rate.
(14) "Individual basic health benefit plan" means a lower cost health
benefit plan developed pursuant to chapter 55, title 41, Idaho Code, prior to
April 1, 2017.
(15) "Individual catastrophic A health benefit plan" means a higher limit health benefit plan developed pursuant to chapter 55, title 41, Idaho Code, prior to April 1, 2017.

(16) "Individual catastrophic B health benefit plan" means a health benefit plan with limits higher than an individual catastrophic A health benefit plan developed pursuant to chapter 55, title 41, Idaho Code, prior to April 1, 2017.

(17) "Individual HSA compatible health benefit plan" means a health savings account compatible health benefit plan developed pursuant to section 41-5511 chapter 55, title 41, Idaho Code, prior to April 1, 2017.

(18) "Individual standard health benefit plan" means a health benefit plan developed pursuant to chapter 55, title 41, Idaho Code, prior to April 1, 2017.

(19) "New business premium rate" means, as to a rating period, the lowest premium rate charged or offered or which could have been charged or offered by the individual carrier to individuals with similar case characteristics for newly issued health benefit plans with the same or similar coverage.

(20) "Premium" means all moneys paid by an individual and eligible dependents as a condition of receiving coverage from a carrier, including any fees or other contributions associated with the health benefit plan.

(21) "Qualifying previous coverage" and "qualifying existing coverage" mean benefits or coverage provided under:
   (a) Medicare or medicaid, civilian health and medical program for uniformed services (CHAMPUS), the Indian health service program, a state health benefit risk pool, or any other similar publicly sponsored program; or
   (b) Any group or individual health insurance policy or health benefit arrangement whether or not subject to the state insurance laws, including coverage provided by a managed care organization, hospital or professional service corporation, or a fraternal benefit society, that provides benefits similar to or exceeding benefits provided under the basic health benefit plan.

(22) "Rating period" means the calendar period for which premium rates established by a carrier are assumed to be in effect.

(23) "Reinsuring carrier" means a carrier participating in the Idaho individual high risk reinsurance pool established in chapter 55, title 41, Idaho Code.

(24) "Restricted network provision" means any provision of a health benefit plan that conditions the payment of benefits, in whole or in part, on the use of health care providers that have entered into a contractual arrangement with the carrier to provide health care services to covered individuals.

(25) "Risk-assuming carrier" means a carrier whose application is approved by the director pursuant to section 41-5210, Idaho Code.

(26) "Individual carrier" means a carrier that offers health benefit plans covering eligible individuals and their dependents.