



ADMINISTRATIVE RULES OF MONTANA

6.6.5060 COVERAGE THROUGH ASSOCIATIONS

- (1) A bona fide association must:
 - (a) Meet all the requirements listed in 33-22-1803 (8) , MCA; for purposes of meeting the requirement of being actively in existence for at least 5 years, activities for that duration must include legitimate trade or association business; and
 - (b) Make health insurance coverage offered through the association available to all members of the association. Bona fide associations may create membership categories that will not be offered association health insurance coverage, provided that such membership categories must not be based on health status or insurability or designed in any way to circumvent Montana health insurance law.
- (2) A "non-bona fide association" means an association which meets the requirements listed in 33-22-1803 (8) , MCA, except:
 - (a) The association must have been actively in existence for at least 2 years; and
 - (b) The association is not required to make health insurance coverage available to all members of the association, except to small employer members.
- (3) A health insurance carrier that provides a group health plan to a non-bona fide association must comply with the Small Employer Health Insurance Availability Act with respect to the small employer members of the association. For purposes of the guaranteed issue requirement for small employers in a non-bona fide association, a health insurance carrier must actively market all the carrier's small employer health benefit plans to small employers within a non-bona fide association, and actively market any plan provided to a non-bona fide association's small employers to other small employers not in the association. Small employers may be rated together with other members of a non-bona fide association provided that the rates for the whole group meet the requirements of 33-22-1809 , MCA.
- (4) Members leaving a bona fide or non-bona fide association are considered to be voluntarily leaving a group, in which case a health insurance carrier insuring the group is not required to guarantee renewal of such members' coverage, unless the policy for the coverage provides for guaranteed renewal.
- (5) A health insurance carrier may not issue a group health plan to an association if the association does not meet the requirements of either a bona fide or non-bona fide association.
- (6) Bona fide associations and non-bona fide associations may impose a waiting period of up to 12 months before members can enroll in health insurance provided through the association. This initial waiting period may not be counted

as a break in creditable coverage.

- (7) Bona fide associations and non-bona fide associations may impose a waiting period before members that cancel their membership in an association, or in an association's health insurance coverage, may reenroll in the association's health insurance coverage.

Authorizing statute(s): Sec. 33-1-313, 33-1-501 and 33-22-1822, MCA

Implementing statute(s): 33-22-501, 33-22-1802, and 33-22-1803, MCA

History: NEW, 1994 MAR p. 2926, Eff. 11/11/94; AMD, 1995 MAR p. 2127, Eff. 10/13/95; AMD, 1998 MAR p. 1698, Eff. 6/26/98.