

## SUBCHAPTER B—REQUIREMENTS RELATING TO HEALTH CARE ACCESS

### PARTS 140–143 [RESERVED]

### PART 144—REQUIREMENTS RELATING TO HEALTH INSURANCE COVERAGE

#### Subpart A—General Provisions

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#### Subpart B [Reserved]

AUTHORITY: Secs. 2701 through 2763, 2791, and 2792 of the Public Health Service Act, 42 U.S.C. 300gg through 300gg-63, 300gg-91, and 300gg-92.

SOURCE: 62 FR 16955, Apr. 8, 1997, unless otherwise noted.

#### Subpart A—General Provisions

##### § 144.101 Basis and purpose.

Part 146 of this subchapter implements sections 2701 through 2723 of the Public Health Service Act (PHS Act, 42 U.S.C. 300gg *et seq.*). Its purpose is to improve access to group health insurance coverage and to guarantee the renewability of all coverage in the group market. Part 148 of this subchapter implements sections 2741 through 2763 of the PHS Act. Its purpose is to improve access to individual health insurance coverage for certain eligible individuals who previously had group coverage, and to guarantee the renewability of all coverage in the individual market. Sections 2791 and 2792 of the PHS Act define terms used in the regulations in this subchapter and provide the basis for issuing these regulations, respectively.

##### § 144.102 Scope and applicability.

(a) For purposes of 45 CFR parts 144 through 148, all health insurance coverage is generally divided into two markets—the group market (set forth in 45 CFR part 146) and the individual market (set forth in 45 CFR part 148).

45 CFR part 146 limits the group market to insurance sold to employment-related group health plans and further divides the group market into the large group market and the small group market. Federal law further defines the small group market as insurance sold to employer plans with 2 to 50 employees. State law, however, may expand the definition of the small group market to include certain coverage that would otherwise, under the Federal law, be considered coverage in the large group market or the individual market.

(b) The protections afforded under 45 CFR parts 144 through 148 to individuals and employers (and other sponsors of health insurance offered in connection with a group health plan) are determined by whether the coverage involved is obtained in the small group market, the large group market, or the individual market. Small employers, and individuals who are eligible to enroll under the employer's plan, are guaranteed availability of insurance coverage sold in the small group market. Small and large employers are guaranteed the right to renew their group coverage, subject to certain exceptions. Eligible individuals are guaranteed availability of coverage sold in the individual market, and all coverage in the individual market must be guaranteed renewable.

(c) Coverage that is provided to associations, but is not related to employment, is not considered group coverage under 45 CFR parts 144 through 148. The coverage is considered coverage in the individual market, regardless of whether it is considered group coverage under State law.

##### § 144.103 Definitions applicable to both group (45 CFR part 146) and individual (45 CFR part 148) markets.

Unless otherwise provided, the following definitions apply:

*Affiliation period* means a period of time that must expire before health insurance coverage provided by an HMO becomes effective, and during which