



U.S. TERRITORIES

How does the PPACA apply to U.S. territories, such as the U.S. Virgin Islands and Puerto Rico?

Certain PPACA requirements have been modified for the territories (Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and the Northern Mariana Islands). For example, the legislation provided funding to establish Marketplaces in the territories, but if a territory declined to create a Marketplace, the Medicaid funding cap was increased for that territory.

The Individual Mandate provision states that any resident of the territories will be treated as having minimum essential coverage, regardless of whether they have health coverage or not. If individuals are deemed to have minimum essential coverage, they may not be eligible for federal premium assistance to purchase coverage through the Marketplace (if a Marketplace is established in their territory).

Effective July 16, 2014, the following additional PPACA provisions **no longer apply** to insured plans issued in the U.S. territories:

- Required coverage of essential health benefits (EHB)*
- Medical Loss Ratio (MLR) rebates
- Employer mandate (a territory may enact a comparable provision under its own law)
- Guaranteed issue
- Rate review*
- Community rating*
- Single risk pool*
- Risk corridors and risk adjustment*

* *Applies only to individual and small group insured plans*