

# COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN  
COMMISSIONER



OFFICE OF THE MONTANA  
STATE AUDITOR

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## ADVISORY MEMORANDUM

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TO: HEALTH INSURERS INTENDING TO ISSUE OR RENEW SMALL EMPLOYER GROUP OR INDIVIDUAL MAJOR MEDICAL HEALTH INSURANCE IN 2014

FROM: Monica J. Lindeen, Commissioner of Securities and Insurance

DATE: March 18, 2013

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### 2014 HEALTH PLAN FORM FILINGS, INCLUDING RECOMMENDATIONS REGARDING QUALIFIED HEALTH PLAN CERTIFICATION

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Even though Montana is not a “partnership” state, the Office of the Commissioner of Securities and Insurance (CSI) will be performing many of the plan management functions required for insurers' participation in the federally facilitated exchange (FFE). My goal is to make health plan regulation as efficient and streamlined as possible for health insurers and thereby reduce costs and complications. Filing forms in SERFF only, instead of requiring filings in “dual” regulatory IT systems, will go a long way towards achieving that goal.

The following table includes information about the timeline for filing major medical health plans, technical changes in Montana's form filing process, the QHP certification recommendation process, and additional information regarding the “Letter to Issuers on Federally Facilitated and State Partnership Exchanges,” that is posted on the CMS website.

<b>Issuers that WILL PARTICIPATE in the Exchanges</b>	<b>Issuers that WILL NOT PARTICIPATE in the Exchanges</b>
<b>Timeline for Filing</b> All major medical health insurers that wish to operate inside the FFE must file their policies, certificates or membership contracts that will be issued on January 1, 2014 or later with the CSI between April 1, 2013 and May 15, 2013. Late filings will not be accepted.	<b>Timeline for Filing</b> Health insurers that do not intend to offer plans through the FFE, but will offer major medical health plans in 2014 are requested to file their forms through SERFF no later than August 1, 2014.

<b>Issuers that WILL PARTICIPATE in the Exchanges</b>	<b>Issuers that WILL NOT PARTICIPATE in the Exchanges</b>
<p><b>Timeline for Filing (continued)</b>            Insurers that intend to sell major medical health insurance products both inside and outside the exchange in the individual and/or small employer group health insurance market must file ALL their forms between April 1, 2013 and May 15, 2013. Please note that this includes those health plans that will be marketed outside the exchange.</p>	
<p><b>QHP Certification</b>            CSI will conduct the preliminary review for qualified health plan (QHP) certification and make a recommendation to the FFE. It is not necessary to file forms in the federal Health Insurance Oversight System (HIOS), except as described in the "Letter to Issuers on Federally Facilitated and State Partnership Exchanges" [Letter to Issuers]. Please follow the timeline outlined in <u>Chapter 2, Section 2</u> of the Letter to Issuers and the Timeline for Filing section of this memo.</p>	<p><b>QHP Certification</b>            QHP Certification does not apply to issuers that will not sell plans on the exchange.</p>
<p><b>Guidance in the FFE's Letter to Issuers</b>            All exchange filers should carefully review the Letter to Issuers that is posted on the CMS website. That document contains detailed guidance regarding QHP certification, as well as other important federal guidance for health plans in general.</p> <p>Except as noted here, we will be reviewing health plan forms that will be sold on the FFE according to the guidance issued in that letter. Throughout this process, the CSI is seeking voluntary compliance with the minimum requirements of federal law that are legally applicable to issuers in Montana. If voluntary compliance is not achieved, the CSI will notify CMS for follow up and enforcement.</p> <p>The process for meeting FFE expectations regarding QHP accreditation, benefit design, review for non-discrimination and meaningful difference, annual maximum out of pocket and other topics as outlined in Chapter 1 of the Letter. Non-discrimination attestations from insurers must be submitted to the CSI through SERFF. The CSI will issue more guidance on Montana-specific network adequacy requirements soon.</p>	<p><b>Guidance in the FFE's Letter to Issuers</b>            All filers should carefully review the "Letter to Issuers on Federally Facilitated and State Partnership Exchanges," that is posted on the CMS website. That document contains important federal guidance for health plans in general.</p> <p>The CSI is seeking voluntary compliance with the minimum requirements of federal law that are legally applicable to health plan issuers in Montana. If voluntary compliance is not achieved, the CSI will notify CMS for follow up and enforcement.</p> <p>The CSI will issue more guidance on Montana-specific network adequacy requirements soon.</p>

## **Guidance for ALL ISSUERS**

### **ALL ISSUERS: Use of SERFF Required**

All filings must be submitted through the State Electronic Rate and Form Filing system (SERFF). All health insurers have received a prior notice of SERFF trainings that are offered throughout the month of March. Attendance at this training is highly recommended for all filers. The SERFF format has changed and the new "roll-out" occurs on March 28, 2013.

All major medical health insurance forms must be filed through SERFF, even if those health plans are offered only in the market outside the FFE. The data templates for benefits and rates must be completed for all individual and small employer group health plans, even if the plan is not seeking QHP certification. These templates are only available through the SERFF system. General instructions to filers in Montana will be provided on Montana's state page in SERFF.

### **ALL ISSUERS: Rate Review**

All insurers operating in the individual and small employer group major medical market must submit the federal rate data templates, even if they do not intend to sell in the exchange. Pursuant to federal regulations, all federal rate data templates for individual and small employer group health plans must be completed and submitted to both CMS and the state insurance regulator in HIOS and SERFF, even if the state is not an effective rate review state. The rate data templates must be submitted at the same time that the health plan forms are submitted.

### **ALL ISSUERS: Geographic Rating Areas**

CMS has requested guidance from each state regulator regarding geographic rating areas. Under the federal regulations which were finalized in February 2013, the four areas that are identified as the "federal default" choice would be the three metropolitan statistical areas and the rest of the state. I have investigated the options and consulted with interested parties and determined that a different arrangement of four geographical rating areas is in the best interests of the consumers in Montana. Those four geographical rating areas are laid out by counties in the attached map. This map represents the geographic rating areas that I have recommended to CMS. These will be the geographic rating areas used in Montana for 2014, after they are approved by CMS. I will continue to monitor these geographic divisions and may suggest changes in future years. When CMS finalizes these rating areas, CMS will provide a rating area identification number for use in federal systems.

### **ALL ISSUERS: Technical Assistance for Issuers & Consumer Complaint Handling**

The CSI will provide technical assistance to health plans through the form approval/QHP certification recommendation process, as it always has. All consumer complaints about insurers, including QHP issuers, will be handled by the CSI. Consumer complaints about insurers that are received by the FFE through its toll-free phone number, the FFE website, or in any other manner, will be forwarded to the CSI for resolution. The CSI will track complaints concerning QHP issuers and forward them to the FFE when requested.

## **HEALTHCARE CO-OPS**

Even though healthcare co-ops are “deemed” certified, as described in Chapter 2, Section 6 of the Letter to Issuers, the CSI will review co-op health plan forms in the same way as all other health insurers—all timelines and instructions contained in this advisory memorandum apply equally to healthcare co-ops.

## **STAND-ALONE DENTAL PLANS**

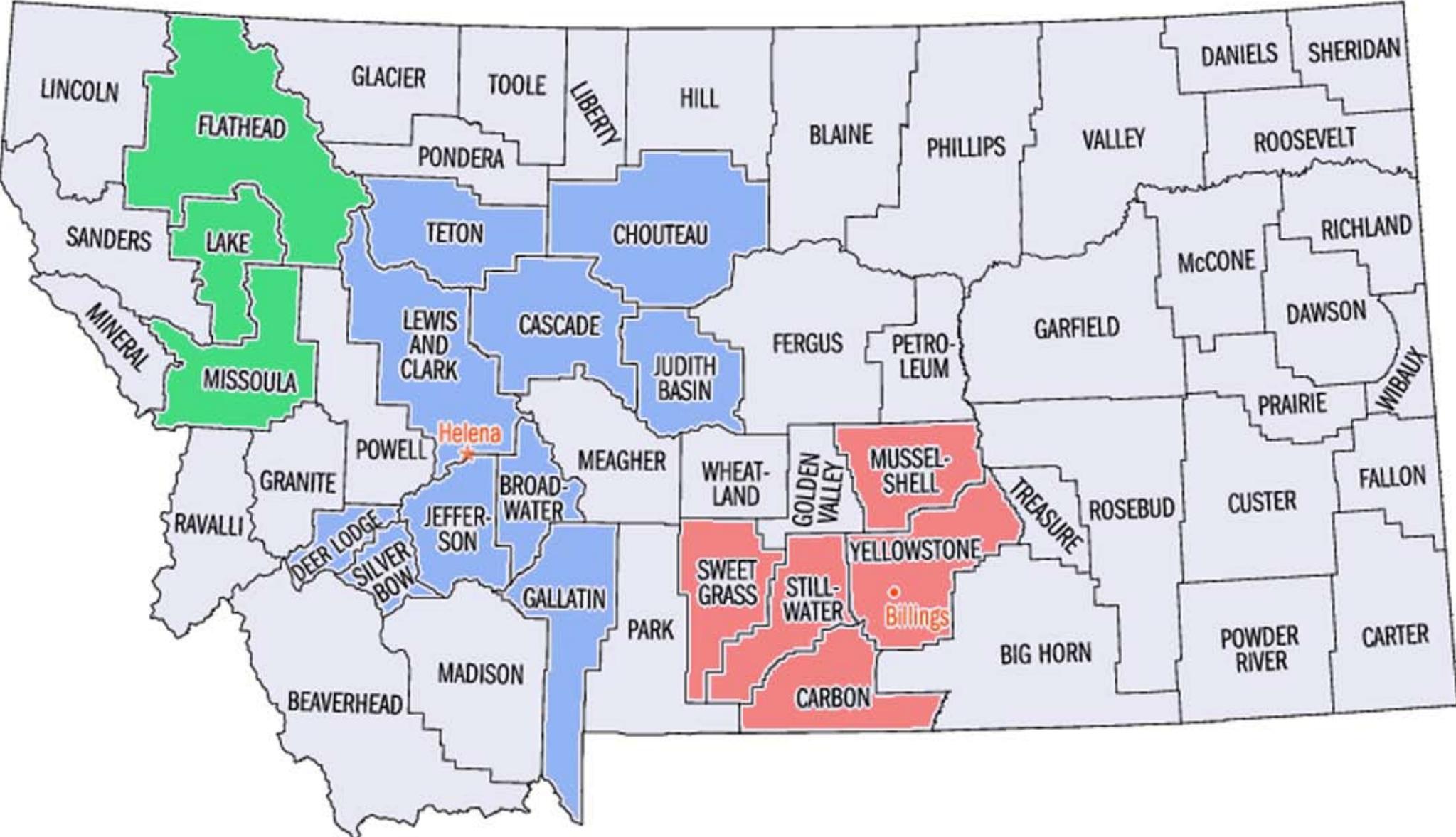
Stand-alone dental plans must file their forms within 7 days of the SERFF roll-out for dental plans, which is expected to occur in mid-May. Stand alone dental plans must file their forms in SERFF only and complete CSI’s form approval/certification recommendation process by July 31, 2013. The benefits template will be modified for dental plans as described in Chapter 4 of the letter. Chapter 4, Section 1 contains instructions regarding how stand-alone dental will complete the federal rate data templates, which must be filed in SERFF, as well as HIOS. The dental plan must specify whether or not the rates in the template are guaranteed to consumers or will be subject to change (underwriting).

## **CONCLUSION**

There will be an all-filer conference call/meeting on March 27 at 1:30 PM MST. You may attend the meeting in person at the CSI offices in Helena or call the following phone number to join the conference call. This will be your opportunity to ask questions about this process

To join the conference call, please call (877) 810-9415, access code 2795361.

After that time, if you have questions that cannot be answered through the SERFF process, please contact Rosann Grandy, Forms Bureau Chief or Christina Goe, General Counsel at 406-444-2040.



Zone 1

Zone 2

Zone 3

Zone 4