

COMMISSIONER OF SECURITIES & INSURANCE

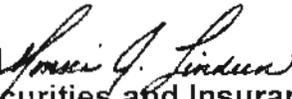
MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

TO: Health Insurers Intending to Issue or Renew Small Employer Group or Individual Major Medical Health Insurance in 2015

FROM: MONICA J. LINDEEN 
Commissioner of Securities and Insurance
Montana State Auditor

DATE: May 7, 2014

2015 HEALTH PLAN FORM FILINGS, INCLUDING RECOMMENDATIONS REGARDING QUALIFIED HEALTH PLAN CERTIFICATION

The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), is the marketplace plan manager for the State of Montana. The CSI will be performing the plan management functions required for insurers' participation in the federally facilitated marketplace (FFM), along with its regular function to approve forms and templates, network adequacy, and review rates for all health plans sold in Montana. My goal is to make health plan regulation as efficient and streamlined as possible for health insurers and thereby reduce costs and complications and to create a level playing field in Montana. This memorandum provides instructions for on- and off-exchange health plans.

The following table includes information about the timeline for filing major medical health plans including: policy forms and templates, rates, provider network information, and the Qualified Health Plan (QHP) certification recommendation process.

Issuers that <u>WILL PARTICIPATE</u> in the Exchanges (QHP issuers)	Issuers that <u>WILL NOT PARTICIPATE</u> in the Exchanges
<p>Timeline for Filing</p> <p>All major medical health insurers that wish to issue QHP coverage inside the federally facilitated marketplace must file with the CSI their forms, including all required documents for policies, certificates, or membership contracts; and their plan binders containing all required templates for coverage that will be issued on January 1, 2015, or later between May 27 and June 10, 2014, by 5:00 P.M. MST. The filing window for rate filings is also May 27 to June 10, 2014, by 5:00 P.M. MST. Late filings will not be accepted. Policy forms may be filed prior to May 27, but binders including templates cannot be accepted prior to that date. FFM issuers must file all health plans to be offered on and off of the exchange in the individual and small employer group market during this filing window.</p> <p>All required information for network adequacy review must be filed according to the same timelines listed above.</p> <p>All Summary of Benefit and Coverage (SBC) and outline of coverage documents must be filed at the same time as the policy form. See the CSI bulletin on SBC's and Outlines of Coverage on the CSI website: www.csi.mt.gov.</p> <p>Small employer group and individual health plans must be submitted in separate filings and binders. Correspondence related to the binder must be attached to the binder filing.</p> <p>All rate, form, and binder filings must be fully approved by close of business (5:00 P.M. MST) on August 7, 2014. No exceptions will be permitted.</p>	<p>Timeline for Filing</p> <p>Health insurers that do not intend to offer plans through the FFM, but will offer major medical health plans in 2015 must file their forms and all associated documents and their binders containing all templates through State Electronic Rate and Form Filing System (SERFF) between June 30 and July 29, 2014. The rate filing window will also begin on June 30 and end on July 29, 2014. All templates must be included in the binder, except the administrative data template. New templates must be filed even if the policy form has not changed. The Unified Rate Review Template (URRT) must be used and placed in a separate rate filing.</p> <p>All required information for network adequacy review must be filed according to the same timelines listed above.</p> <p>If a policy form that will be used in 2015 has no changes from the approved form for 2014, the issuer may file an attestation certifying that there are no changes in the form. However, any changes to cost-sharing will trigger a new filing for the Summary of Benefits and Coverage, outline of coverage and schedule of benefits documents.</p> <p>All Summary of Benefit and Coverage (SBC) and outline of coverage documents must be filed at the same time as the policy form. See the CSI bulletin on SBC's and Outlines of Coverage on the CSI website: www.csi.mt.gov.</p> <p>Small employer group and individual health plans must be submitted in separate filings and binders. Correspondence related to the binder must be attached to the binder filing.</p> <p>All rate, form and binder filings must be fully approved by close of business (5:00 P.M. MST) on September 30, 2014.</p>

<p>QHP Certification</p> <p>CSI will conduct the preliminary review for QHP certification and make a recommendation to the FFM. It is not necessary to file forms in the federal Health Insurance Oversight System (HIOS).</p>	<p>Other deadlines related to off-exchange forms filed by non-QHP issuers</p> <p>QHP Certification does not apply to issuers that will not sell plans on the exchange.</p> <p>Any off-exchange rate, form, binder and network filings submitted by non-QHP issuers for <u>new</u> products must be filed and approved no later than November 14, 2014. New health plans <u>may not</u> be marketed or offered for sale until all parts of the review and approval process are complete. Issuers that do not meet that deadline will be subject to “open enrollment” all year long. Renewal health plan filings must be completely approved by September 30 in order to meet the 60 notice requirement in Montana law.</p>
<p>Guidance in the FFM’s Letter to Issuers</p> <p>All exchange filers should carefully review the Letter to Issuers (LOI) 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, the CSI will review health plans that will be sold on the FFM according to the guidance issued in that letter. Throughout this process, the CSI continues to seek 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 FFM expectations regarding QHP accreditation, benefit design, review for non-discrimination and meaningful difference, annual maximum out-of-pocket and other topics is outlined in the issuer letter. Non-discrimination attestations from insurers must be submitted to the CSI through State Electronic Rate and Form Filing System (SERFF).</p> <p>Montana does not have any state specific benefit mandates that go beyond the essential health benefit categories.</p>	<p>Guidance in the FFM’s Letter to Issuers</p> <p>All filers should carefully review the Letter to Issuers (LOI) that is posted on the CMS website. That document contains important federal guidance for health plans in general. The CSI seeks to promote a level playing field to the greatest extent possible at all times.</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>All health plans will be reviewed for possible discriminatory benefit design.</p> <p>Montana does not have any state specific benefit mandates that go beyond the essential health benefit categories</p>

GUIDANCE FOR ALL ISSUERS

Use of SERFF Required

All filings must be submitted through the SERFF. Please check the SERFF website for information about SERFF trainings that are offered throughout the month of May. Attendance at this training is highly recommended for all filers.

All major medical health insurance forms must be filed through SERFF, even if those health plans are offered only in the market outside the FFM. The data templates for benefits and rates (except the Administrative Data Template) must be completed for all individual and small employer group health plans, even if the plan is not seeking QHP certification. **New templates for 2015 must be filed even if no changes were made to the underlying policy forms.** 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—including any updates to these instructions. Please check SERFF on a regular basis for important general information, as well as specific information about your company's filings.

Rate Review—Separate rate filing required.

All insurers operating in the individual and small employer group major medical market must submit the federal rate data templates (contained in the plan binder) and the URRT, even if they do not intend to sell in the FFM. **A rate filing that contains the URRT and is separate from the form filing and the plan binder must be filed.** Do not duplicate templates submitted in the plan binder in the rate filing. The URRT, the Part III Actuarial Memo, and all supporting documentation for the rate should be submitted in a separate SERFF rate filing. The URRT is not part of the plan binder. Other instructions related to the rate filing are as follows:

- Geographic rating factor support must include documentation regarding how utilization was removed from the development of those geographic rating factors.
- Pursuant to federal regulations, the URRT 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 an effective rate review state.
- The rate plan information and R2D2 must be completed for all rate filings. Any correspondence related to information contained in the rating filing must be filed as part of the rate filing.
- Rates entered into the rate filing or plan binder by the issuer should have no more than 2 decimal points in order to avoid validation errors later in the review.
- Smoking rate ups are not allowed for anyone under the age of 21. This applies to policies sold both on and off the exchange.
- Individual market health plan rates, both on and off the exchange, must be guaranteed for the calendar year beginning January 1, 2015. No interim rate increases will be permitted.

Rate increases for small employer group health plan rates, both on and off the exchange, may be submitted quarterly, but increases must be submitted 60 days in advance of use, as outlined in Mont. Code Ann. § 33-22-156. The CSI requests that those rate increases be submitted at least 30 days prior to the notice of rate increase delivery date.

Rate justifications, as required by applicable federal regulations and contained in Part II of the URRT, must be submitted with the initial rate filing and for all subsequent rate increases, no matter how large or small the increase. The Part II rate justification is the consumer-friendly explanation/justification for the rate. Those rate justifications will be posted on a CSI website immediately after they are received for all health plans sold in Montana, both on and off the exchange.

Geographic Rating Areas

The geographic rating areas set for 2014 will remain the same in 2015.

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 FFM through its toll-free phone number, the FFM 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 FFM when requested.

NETWORK ADEQUACY

In order to assess compliance with state and federal network adequacy laws for PPO and "PPO type" health plans offered in 2014, health insurers must provide the CSI with a complete provider directory for the each health plan offered for sale in Montana. At this point in time, this information must be submitted in an Excel workbook. The following categories of healthcare providers must be submitted in separate Excel work sheets within the Excel workbook: physicians, advanced practice registered nurses, physician assistants, naturopaths, chiropractors, licensed clinical social workers, licensed clinical professional counselors, psychologists, and physical therapists. The location (city, state, and zip code), the Montana license number, the provider type and any identified specialty (if available) must also be included. Only providers that are actively practicing medicine may be included.

Instructions on where to access the sample work sheets will be found on SERFF or you may contact CSI directly for that information. A complete list of every hospital and other medical facility (including stand-alone residential treatment centers) in a separate Excel spreadsheet must also be provided. The master list of providers and facilities used by the CSI to review networks for 2015 is available upon request.

If an issuer is using different network for different health plans, all networks must be properly identified and submitted separately.

Health plans seeking qualified health plan (QHP) certification must submit the necessary network provider lists as outlined in the "Timeline" section above, but **no later than June 10, 2014**. **All other health plans must submit the information at the same time that the 2015 binder is filed, but no later than July 29, 2014**. Provider information must still be supplied for all "PPO type" products, even if there are no other changes in the policy forms in 2015.

Plans that are defined under Chapter 31 as "HMO" plans must seek a network adequacy determination through the Montana Department of Public Health and Human Services. However, because of requirements related to federal QHP certification, QHP issuers who are filing HMO health plans must also submit these provider lists to CSI, as well as the network template form, even though network work adequacy is governed for HMO products under Mont. Code Ann., Title 33, Chapter 36. That information will be kept on file for QHP HMO products for certification and enforcement purposes.

All QHP issuers must include essential community providers (ECPs) in their networks. ECPs are defined in federal law as those providers that serve low-income and medically underserved individuals. The list of ECPs published by CMS for Montana is incomplete. The complete list is posted on the CSI website. I have determined that the federal network adequacy standard that requires only 30 percent of all ECPs to be "in network" is not adequate for Montana. QHP issuers should strive to meet a standard that includes at least 80 percent of all [ECPs on CSI's published list](#). If a health plan is unable to meet that standard, CSI will review the adequacy of the ECP network and make a determination on a case-by-case basis.

The ECP list includes county health departments that offer immunizations. In some counties, the county health department is the only medical provider that offers immunizations. If an issuer encounters difficulties when contracting with county health departments, please contact the CSI for further instructions. If a QHP issuer does not include all Indian health care providers in its networks, it must submit proof that a provider contract was offered to and refused by the Indian provider. If a QHP does not have all Indian Health Services (IHS) providers in its network by the time it files its provider lists in June 2014, it must include a statement outlining its attempts to contract with IHS providers. Health plans that are determined to have an "inadequate" network are subject to a 25 percent reimbursement differential. An explanation of the formula used by CSI to determine the 25 percent differential allowed under Mont. Code Ann. § 33-22-1706 is available upon request.

The Excel spreadsheets should be sent directly to David Dachs at ddachs@mt.gov. Further instructions and any changes to the network adequacy review process will be posted on SERFF, or you may contact David Dachs directly.

HEALTHCARE CO-OPS and MULTI-STATE PLANS

Even though healthcare co-ops are "deemed" certified, as described in LOI, 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.

Similarly, the CSI will review multi-state plans (MSPs) under contract with the Office of Personnel Management (OPM) according to the same instructions and timelines outlined in this memorandum. MSP insurers will be notified by CSI if there is an alteration in these instructions that applies to them.

STAND-ALONE DENTAL PLANS

Qualified Stand-alone dental plans (QDPs) must file their rates, forms, plan binders and network lists according to the same timelines and instructions that apply to all QHP issuers. Montana's PPO network adequacy law applies to dental and vision plans. The benefits template will be modified for dental plans as described in 2015 FFM letter to issuers. Each QDP issuer must specify whether or not the rates contained in the templates are guaranteed to consumers or will be subject to change (underwriting).

QDP forms, rates and binders must be filed separately from QHP filings. Dental rates may use geographic rating factors; however, the geographic rating areas used must be the same as those identified for health plans. Dental binders/filings should include all QDPs sold on and off the exchange.

CONCLUSION

There will be an all-filer conference call/meeting on May 20, 2014, at 1:30 P.M. 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.

ALL-FILER CONFERENCE CALL/MEETING

May 20, 2014

1:30 PM MST

Dial-In Number: (712) 432-1212

Meeting ID: 236-818-235

Before and after that call, 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 or rgrandy@mt.gov or cgoe@mt.gov.