COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER

OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

To: ALL MAJOR MEDICAL HEALTH INSURANCE INSURERS

From: MONICA J. LINDEEN - Commissioner of Securities and Insurance, Montana State Auditor

Date: March 19, 2012

COLLECTION OF RATE DATA FOR ALL PRODUCTS PROVIDING HEALTH INSURANCE COVERAGE THAT IS NOT CONSIDERED AN "EXCEPTED BENEFIT"

This memorandum follows-up on the October 2010 advisory memorandum regarding the collection of rating information for major medical health insurance. The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), must continue to "provide the secretary [of Health and Human Services] with information about trends in premium increases in health insurance coverage in premium rating areas in the State." The purpose of this advisory memorandum is to request health insurance issuers selling health insurance products (that are not "excepted benefits" as defined in Mont. Code Ann. § 33-22-140) in Montana to submit certain rating information for the following two purposes:

- To understand and report trends in premium increases in the Montana Health Insurance market;
- To continue the review of compliance with existing Montana rating law and rating disclosure laws for all health insurance issuers doing business in Montana and described in the 2010 memorandum.

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At this time, the CSI is requesting updated rating information on 2012 rate increases in order to keep its information about premium trends in Montana current. In addition, this information will assist the Commissioner in determining whether or not to recommend to the secretary a change in the 10 percent state-specific threshold triggering federal rate review under 45 CFR part 154 after September 2012.

The CSI will not use the "Rate Data Disclosure Form" that was referenced in the 2010 advisory memorandum. That form is deleted from the CSI's SERFF reporting page. CSI is posting new, simplified reporting instructions on its SERFF web page and reduced information is being requested. A print-out of the information being requested in SERFF is attached to this memo.

This request applies to all rate increases implemented anytime during the 2012 calendar in the major medical **individual, small employer group, and association markets**. Large employer groups that do not consist of bona fide association members are exempt from this data request.

Please supply the corresponding 2012 rate manual. Include a brief memo of changes made to the rating methodology and/or manual from the prior version submitted. If your rating manual is identical to the rating manual submitted in 2011, please note that fact.

Please submit all rate increases that have already been implemented for 2012 through the SERFF system no later than April 30, 2012. Information concerning additional rate increases that are implemented after that date during 2012 should be submitted as new filings in SERFF.

The CSI is collecting this information pursuant to its authority to examine and investigate under Mont. Code Ann. § 33-1-314. Thank you for your cooperation in this matter.

If you have comments or questions, please call or email Christina Goe, General Counsel at 406-444-2040 or cgoe@mt.gov.

Montana Collection of Rate Data 2012
Required SERFF Fields

Important Information for All Filers

- ➔ **Read this entire document carefully - it contains new information and Montana-specific requirements.**
- ➔ **All information should reflect only the specific product for which these rates are filed and be provided at a company level for Montana business only.**
- ➔ **Responses based on national, combined holding company, or entire line-of-businesss information will not be accepted.**
- ➔ **For association business written in Montana, separate filings must be submitted for each association.**

General Information tab

Field	Required by	Montana Comments
Product Name	SERFF / HHS	Please use an appropriate name. Include the association name for association business.
TOI	SERFF / HHS	In general, it is anticipated that all filings should be coded as Major Medical, either H16I for individual, or H16G for group. If you feel that a different TOI is more appropriate, please contact us in advance to confirm.
Sub-TOI	SERFF / HHS	
Filing Type	SERFF / HHS	All filings should be coded as "Rate."
Implementation Date Requested	SERFF / HHS	Please specify that actual intended implementation date. Please do not code as "On Approval" - this response is not applicable. For filings with multiple effective dates, please reflect the earliest date.
PPACA	SERFF / HHS	Any response will be accepted, however, "Not PPACA-Related" is preferred.
Requested Filing Mode	SERFF / HHS	Any response will be accepted, however, "Informational" is preferred.
Market Type	SERFF / HHS	Please see Market Type Table below.
Individual Market Type	SERFF / HHS	The visibility of this field depends upon the response to Market Type. Please see Market Type Table below.
Group Market Size	SERFF / HHS	The visibility of this field depends upon the response to Market Type. Please see Market Type Table below.
Group Market Type	SERFF / HHS	The visibility of this field depends upon the response to Market Type. Please see Market Type Table below.
Filing Description	SERFF / HHS	Please provide an applicable description of the filing.

Market Type Table

Description	Market Type	Individual Market Type	Group Market Size	Group Market Type
Pure individual	Individual	Individual	NA	NA
Association issued to individuals	Individual	Non Employer Group - Individual	NA	NA
Single employer group	Group	NA	Enter "Small" - the data collection request does not cover large group. Include only information for small employers.	Employer
Association issued to employers	Group	NA		Association

Montana Collection of Rate Data 2012
Required SERFF Fields

Rate / Rule Schedule tab

Field	Required by	Montana Comments
Company Rate Change?	SERFF / HHS	Please select an appropriate response - Increase, Decrease or Neutral.
Overall % Rate Impact	Montana	Please provide the premium weighted average rate impact as a result of all changes represented in this filing for the business expected to be in force as of the implementation date.
Written Premium Change for this Program	Montana	Please provide the premium dollar impact as a result of all changes represented in this filing for the business expected to be in force as of the implementation date.
# of Policy Holders Affected for this Program	Montana	Please provide the number of policy holders for the business expected to be in force as of the implementation date. For group business, please provide the number of subscribers/employees rather than the number of employers (note - this differs from the HHS definition of policy holders for the field below).
Written Premium for this Program	Montana	Please provide the annualized premium dollars for the business expected to be in force as of the implementation date prior to the impact of the changes represented in the filing.
Maximum % Change	Montana	Please provide the maximum possible rate impact combined for all changes represented in the filing, regardless of actual business in force. Note - this differs from the HHS definition of maximum rate change as defined below in the View Rate Review Detail table.
Minimum % Change	Montana	Please provide the minimum possible rate impact combined for all changes represented in the filing, regardless of actual business in force. Note - this differs from the HHS definition of minimum rate change as defined below in the View Rate Review Detail table.
View Rate Review Detail	SERFF / HHS	All fields are required. Please refer to the View Rate Review Detail table for a complete description.
Number of Policy Holders	SERFF / HHS	Count each policy only once using the most specific Product Type. Please refer to SERFF help (? Button) for descriptions of the Product Types. For single employer group business, count the group policy holders - the employers, not the certificate holders - the employees. For employers offering more than one Product Type, count them under the most prevalent one chosen according to current in force. For association business, count the number of employers for group business and the number subscribers for individual business.
Number of Covered Lives	SERFF / HHS	Count each life only once using the most specific Product Type. Please refer to SERFF help (? Button) for descriptions of the Product Types.
Affected Form Numbers	Montana	Please provide a listing of the policy form numbers affected by this filing. All form numbers must be listed individually and separated by commas.
Document Name	SERFF / HHS	Please provide a general description of the attached rate manual.
Rate Action	SERFF / HHS	Please select "Revised" for a rate change on an existing product or "New" for an initial filing of rates for a new product. We do not anticipate "Other" to be an appropriate response, if you disagree, please contact us.
Attach Document	Montana	Please attach your rate manual here. For purposes of this request, an official rate manual is not needed, but the provided document(s) needs to provide everything necessary to calculate all offered rates, e.g. - factor tables, rating algorithm, rider rate tables, renewal methodology, etc. For rate revisions, please clearly indicate all changes from the previously submitted manual.

Montana Collection of Rate Data 2012
Required SERFF Fields

View Rate Review Detail - Page 1 of 2

Field	Required by	Montana Comments
Company Name	SERFF / HHS	Please enter the company name.
HHS Issuer ID	SERFF / HHS	This is a five digit code issued by the HHS HIOS system. Issuers who have submitted data for display on HealthCare.gov have obtained their ID from the HIOS system. For those issuers who have not yet submitted data into HIOS or have not yet received their ID, please enter '00000'.
Product Names	SERFF / HHS	The 'street' name of the insurance product as sold by the insurance company.
Trend Factors	SERFF / HHS	Text description of trend factors and rating factors used in developing the rate as implemented under the allowed filing requirements and restrictions in that state.
FORMS		
New Policy Forms	SERFF / HHS	At least one of the three Form categories must be completed with a form name or number. All form names or numbers must be listed individually and separated by commas. Please do not enter 'None' or 'N/A' in any field. Each affected form on this filing should be listed in one of the following categories: New Policy Forms: This field should contain those forms for which rates have not been previously submitted. Affected Forms for Closed Blocks: This field should contain those forms currently part of a closed block of business. Other Affected Forms: This field should contain all other forms that do not qualify for the previous field categories.
Affected Forms for Closed Blocks	SERFF / HHS	
Other Affected Forms	SERFF / HHS	
REQUESTED RATE CHANGE INFORMATION		
Change Period	SERFF / HHS	Please select an appropriate response - Annual, Semi-annual, Quarterly, or Other. If there are multiple change periods on products within a filing, the filer should select "other". If an increase is for a calendar year or effective for an elapsed year's time from effective date of the increase one should use 'annual'. If the rates reflect rolling increases on say a quarterly basis, but they are implemented to a given policyholder on a cumulative basis upon their anniversary it is called 'quarterly'.
Member Months	SERFF / HHS	The member months used for the purpose of the rate development for the products represented in this filing. If a company files more than one rate change in a single filing, the member months will be the aggregate sum of the 2 (or more) rate changes. The number of member months reported should reflect the number of member months used for the experience period of the rate development.
Benefit Change	SERFF / HHS	Please select an appropriate response - Increase, Decrease or None.
Percent Change Requested	SERFF / HHS	Please provide the percentage rate change requested in the filing. The average should be weighted using premiums. The minimum and maximum should reflect the least and greatest rate change expected to impact actual policy holders currently in force.

Montana Collection of Rate Data 2012
Required SERFF Fields

View Rate Review Detail - Page 2 of 2

Field	Required by	Montana Comments
PRIOR RATE		
Total Earned Premium	SERFF / HHS	The total premium dollars expected to be collected over the one year period that ends with the effective date for the proposed premium rates. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.
Total Incurred Claims	SERFF / HHS	Total Projected Incurred Claims are the Total Incurred Claims for the one year period that ends with the effective date for the proposed premium rates. This may include projected incurred-but-not-reported claims for said period. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.
Annual PMPM $	SERFF / HHS	The dollar amount of the Prior Annual Rate on a per-member-per-month (PMPM) basis calculated by subscriber over the one year period that ends with the effective date for the proposed premium rates. The average should be weighted using member months. The minimum and maximum should reflect the least and greatest subscriber-level PMPM (or family-level, if applicable) expected over the one year period. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.
REQUESTED RATE		
Total Earned Premium	SERFF / HHS	The total premium dollars projected over the one year period that begins with the effective date for the proposed premium rates reflecting the rates proposed in this filing. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.
Total Incurred Claims	SERFF / HHS	Total Projected Incurred Claims are the Total Incurred Claims projected for the current one year period under the new rate structure that begins with the effective date for the proposed premium rates. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.
Annual PMPM $	SERFF / HHS	The dollar amount of the Requested Annual Rate on a per-member-per-month (PMPM) basis calculated by subscriber over the one year period that begins with the effective date for the proposed premium rates. The average should be weighted using member months. The minimum and maximum should reflect the least and greatest subscriber-level PMPM (or family-level, if applicable) expected over the one year period. Projections should be based upon the population currently in force - assume no issues, terminations, plan migrations, or option changes. Do, however, reflect all automatic changes in rates for items such as age or trend.

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