COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE
1000 Washington Street, Suite 810 • Boston, MA 02118-6200
(617) 521-7794 • Toll-free (877) 563-4467
http://www.mass.gov/doi

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

JAY ASH
SECRETARY OF HOUSING AND ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DANIEL R. JUDSON
COMMISSIONER OF INSURANCE

HEALTH COVERAGE
Filing Guidance Notice 2016-A

TO: Insurance Carriers Offering or Renewing Insured Health Plans in the Massachusetts Merged Small Group/Individual Market in 2016

FROM: Kevin Beagan, Deputy Commissioner, Massachusetts Division of Insurance

DATE: May 13, 2016

RE: Submission of Policy Form/Rate Materials Necessary for the Review of Merged Market Health Benefit Plans Proposed to be Available as of January 2017

The purpose of this Notice is to provide guidance on filing policy forms and rates with the Massachusetts Division of Insurance ("Division") necessary for reviewing coverage intended to be issued or renewed in the Massachusetts merged small group/individual market as of January 1, 2017. The guidance provided in this Notice applies to all health benefit plans offered in the merged market, including the Qualified Health Plans ("QHPs") that must be certified by the Commonwealth Health Insurance Connector Authority ("the Health Connector") for offer through the health benefit Exchange.

As you should be aware, pursuant to Section 1302 of the Patient Protection and Affordable Care Act and federal rule 45 CFR 156.100, the Commonwealth selected the HMO Blue New England $2000 Deductible Plan ("HMO Blue New England") offered by Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. as its 2017 base-benchmark plan, supplemented with the FEDVIP High Option plan for pediatric vision services and the Massachusetts CHIP plan for pediatric dental services. All insured health benefit plans offered in 2017 should include all Essential Health Benefits ("EHB") as further outlined on the Division's website[1] and must meet actuarial value levels associated with "metallic tiers" established under rules developed by the federal Secretary of Health and Human Services, as calculated using the most recently available federal actuarial value calculator.

Form and Rate Filing Materials

[1] Refer to www.mass.gov/ocabr/insurance/providers-and-producers/doi-regulatory-info/essential-health-benefit-benchmark-plan-2017.html

SERFF

The Division requires all carriers to submit form and rate filings via the System for Electronic Rate and Form Filing (SERFF). Carriers will submit specific plan information in a "Binder" that includes all benefit designs and should include the required templates for the submission of standardized provider network, formulary and rate information, including the following materials:

- Evidences of coverage, policies or certificates that meet the requirements of the 2017 base-benchmark plan, as well as current provider directory(ies) for each provider network intended to be offered for 2017 with carrier health benefit plans and dental plans.
  Carriers must use current SERFF form filing processes to submit these materials.

- As with past submissions, carriers are to submit plan provider network documents[2] for each separate provider network expected to be used for a health benefit plan or dental plan intended to be offered for 2017.
  Carriers must use current SERFF form filing processes to submit these materials.

- Carriers are to complete the SERFF Plan Management Binder that identifies each separate insured health benefit plan or dental plan - identified by the Marketing Name for each plan design in the "Plan" tab – which the carrier intends to offer for the 2017 Open Enrollment period. The Plan Management Binder is to include those plans that the carrier intends to offer in 2017. Carriers are to provide a statement to confirm whether a carrier currently has a cost-sharing template [including the appropriate SERRF number(s)] that includes proposed 2017 plan designs.

- Binders should include the following:
  Templates
  - Business Rules Template;
  - Network ID Template;
  - Plans and Benefits Template;
  - Service Area Template;
  - Essential Community Providers/Network Adequacy Template;
  - Prescription Drug Template; and
  - Rate Data Template.

  Supporting Documentation
  - Statement of Detailed Attestation Responses for State-Based Marketplace Issuers;
  - Actuarial Value Calculation Explanation - Additional documentation of Actuarial Value calculation should be attached as supporting documentation for each plan in the Binder. Please refer to the Division's Filing Guidance Notice 2013-G for specific requirements;

  Forward the following documentation if applicable*:
  - Essential Community Provider Supplemental Response Form;
  - Unique Plan Design Supporting Documentation and Justification;
  - EHB - Substituted Benefit (Actuarial Equivalent) Supporting Documentation and

2 Plan provider network documents include, but are not limited to, geo-access maps of each network identified by network name, along with separate geo-access maps which include access standards for each of the following provider types: acute care facilities; inpatient behavioral health facilities; Primary Care Practitioners; and the following five specialists: Gynecology, Orthopedics, Cardiology, Oncology and Mental Health/Substance Use Disorder.

Justification; and

- Formulary - Inadequate Category/Class Count Supporting Documentation and Justification.

*** If any of the foregoing bullets is inapplicable to the filing, then Carrier shall provide a notation that clearly explains why any of the above does not apply to the submitted Binder.**

Carriers must submit the templates and forms via SERFF.

HIOS

Federal rules require the filing of rate filing materials via the Health Insurance Oversight System (HIOS). Carriers will be required to submit appropriate Rate Filing Justification materials, according to the form and manner prescribed by the federal Secretary of Health and Human Services, for all plans and products that are subject to a rate increase, regardless of the size of the increase.

Rate Filing Justification materials include the following:
(1) Unified rate review template (Part I);
(2) Written description justifying the rate increase (Part II); and
(3) Rating filing documentation (Part III).

Carriers should refer to the Centers for Medicare and Medicaid Services for additional guidance on the submission of the noted materials to HIOS.

Form and Binder Filing Timelines

For those insured health benefit plans, including insured dental plans, intended to be offered through the Health Connector, all evidence-of-coverage revisions, current provider directories, and Plan Management Binders are to be submitted by May 13 as noted in the Health Connector RFR. If carriers are finding difficulty in submitting parts of any filing by May 13, they should contact the persons noted at the end of this guidance to work out a timeline for the submission of the missing materials.

For those insured health benefit plans only intended to be offered outside the Health Connector, all evidence-of-coverage revisions, provider directories, and Plan Management Binders are to be completed as early as possible, but no later than Friday, July 1, 2016.

All submitted Binder Filings are to include the following under the Supporting Documentation tab by no later than July 1, 2016:

- An attestation that each of the carrier's health plans has been tested and is in full compliance with the requirements of federal regulation 45 CFR 146.136 - *Parity in mental health and substance use disorder benefits*.

Rate Filing Timelines

Issuers must submit proposed rate filings for single risk pool coverage intended to be effective January 1, 2017 (for both QHPs and non-QHPs), as well as the binder's Business Rules Template and the Rate Data Template, no later than 180 days prior to their effective date, i.e., by July 5, 2016 for a January 1, 2017 effective date. Rate filings and supporting information shall be submitted through SERFF, with federal Rate Filing Justification materials simultaneously posted in HIOS. (Please note that 2nd , 3rd, and 4th quarter Rate Filing Justification materials continue to be required to

be posted in HIOS 105 days prior to the proposed effective date.)

If you have any questions about this guidance, please contact Bob McLaughlin at (617) 521-7374 or Michael Conway at (617) 521- 7356.