



COMMONWEALTH OF MASSACHUSETTS

REVISED HEALTH COVERAGE Filing Guidance Notice 2017-D

TO: Health Insurance Carriers Submitting 2018 Rate Filings Subject to M.G.L. c. 176J

FROM: Mary Hosford, Health Actuary, Health Care Access Bureau, Division of Insurance
Edith Boucher Calvao, Health Actuary, Health Connector

DATE: September 15, 2017

RE: Factoring Federal Funding of Cost-Sharing Reduction (“CSR”) Payments into the Filing of 2018 M.G.L. C. 176J Rates

In light of continued uncertainty regarding federal CSR payments, the Division of Insurance (“Division”) and Commonwealth Health Insurance Connector Authority (“Health Connector”) are issuing the following revised filing guidance to inform health insurance carriers regarding rate filings required under M.G.L. c. 176J, § 6, for rates to be effective beginning January 1, 2018 for coverage issued or renewed to merged market (individual/small group) members.

Federal Funding of Cost Sharing Reduction Payments

CSR payments have been funded directly by the federal government as a consumer benefit to lower the amount that certain consumers would pay for health plan cost-sharing (*i.e.*, copayments, coinsurance and deductibles). Under federal law, the CSR payments are for those members that enroll in designated silver tier plans offered through the Health Connector in Massachusetts.

As of the date of this notice, the federal government has not confirmed that it will continue to fund CSR payments for plans covering individuals earning up to 250% of the federal poverty level or for eligible American Indians/Alaska Natives earning up to 300% of the federal poverty level. There is concern that action will not be taken in the immediate future to confirm the continued availability of these payments throughout plan year 2018. As such, the Division and Health Connector are revising Filing Guidance Notice 2017-D as issued on June 15, 2017.

In order to allow for rates to be available for the upcoming open enrollment period for eligible individuals and to preserve the integrity of Massachusetts’ merged market for health coverage, our agencies instruct those health insurance carriers that intend to participate in the ConnectorCare program (“ConnectorCare Carriers”) offered through the Health Connector for plan year 2018 to prepare to submit amendments to their existing filing materials. Carrier-submitted amendments will only be permitted to address the uncertainty about whether ConnectorCare Carriers will be reimbursed throughout plan year 2018 for CSR payments.

Supplementary Filing Materials

ConnectorCare Carriers should prepare supplementary filing materials to amend their pending 1st quarter 2018 filings and submit them by no later than Friday, September 22, 2017. Such carriers should submit rates and other related materials to add new products that “substantially, but not exactly duplicate” currently filed Silver QHP products. (Such new products will require the assignment of HIOS identification numbers that differ from those of the Silver QHP products that they “substantially, but not exactly duplicate.”) The proposed rates for the new products are to be based on the assumption that CSR payments will not be available in calendar year 2018.

The “substantially, but not exactly duplicate” Silver QHP products are those that will be considered by the Health Connector to address CSR uncertainty. ConnectorCare Carriers should modify their existing filings to submit appropriate binders, templates and supporting documentation to represent the new “substantially, but not exactly duplicate” Silver QHP products.

Although health insurance carriers are required under M.G.L. c. 176J to make these “substantially, but not exactly duplicate” Silver QHP products available to eligible individuals and eligible small groups off the Health Connector, there is no obligation that these products be actively marketed outside of their offer on the Health Connector.

Format of the Supplementary Filings

The Division will work closely with each individual ConnectorCare Carrier to answer questions about what the Division would consider to be reasonable to include within that carrier’s amendment to the filing.

If you have any questions about this Notice, please contact Mary Hosford at 617-521-7358 or mary.hosford@state.ma.us.