# COMMONWEALTH OF MASSACHUSETTS
## Office of Consumer Affairs and Business Regulation
## DIVISION OF INSURANCE
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**MERGED MARKET HEALTH COVERAGE**
**Filing Guidance Notice: 2018-A**

TO: Insurance Issuers Offering and/or Renewing Insured Health and Dental Plans in the Massachusetts Merged Small Group/Individual Market to be effective January 1, 2019

FROM: Tracey McMillan, Director, Bureau of Managed Care

DATE: April 13, 2018

RE: Submission of Policy Form/Rate Materials Necessary for the Review of Merged Market Health and Dental Benefit Plans Proposed to be Available as of January 2019

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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 and/or renewed in the Massachusetts merged small group/individual market as of January 1, 2019. The guidance provided in this notice applies to all health benefit plans and dental plans offered and/or renewed in the merged market, including the Qualified Health Plans ("QHPs") and Qualified Dental Plans ("QDPs") that must be certified by the Commonwealth Health Insurance Connector Authority ("the Health Connector") for offer through the Massachusetts State-Based Market Exchange.

**General Information:**

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 or subsequent years thereafter base-benchmark plan, supplemented with the Federal Employees Dental and Vision Insurance Program ("FEDVIP") High Option plan for pediatric vision services and the Massachusetts CHIP plan for pediatric dental services. All merged small group/individual market health benefit plans offered and/or renewed in 2019 should include all Essential Health Benefits ("EHBs") as further outlined on the Division's website http://www.mass.gov/ocabr/insurance/providers-and-producers/doi-regulatory-info/essential-health-benefit-benchmark-plan-2017.html 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.

Massachusetts Issuers must cover all mandated benefits and medications, in addition to the EHBs and Preferred Pharmacy Drug List ("PDL") as outlined on the Division's website. http://www.mass.gov/ocabr/docs/doi/consumer/healthlists/mndatben.pdf.

## INSTRUCTIONS FOR QHP AND QDP FILINGS

The Division requires all Issuers to submit form, binder and rate filings via the System for Electronic Rate and Form Filing ("SERFF"). Instructions on using SERFF are available through the help module. https://login.serff.com/serff/signin.do

FILINGS MODULE – FORMS:

1. Issuers must submit any material changes to a product being offered and/or renewed (the BINDER documentation may be submitted at the same time as the material changes form filings).
2. For the 2019 filings and beyond, within each Plan Management/Binder, Issuers are required to identify in the "Associate Schedule Items" tab the corresponding "Form Schedule Items" associated with EACH filed HIOS number.
3. Issuers must submit any new products being offered and/or renewed (the BINDER documentation may be submitted at the same time as the new product form filing).
4. Issuers must submit completed Managed Care Checklists (as appropriate) for each SERFF filing. The Managed Care checklists are located on the Division's website. https://www.mass.gov/lists/policy-form-and-rate-filing-checklists
5. Issuers must adhere to all Massachusetts General Laws, state regulations, mandates and bulletins as applicable to health insurance even if guidance is not provided in the Managed Care Checklists. *Locate the "In this List" box and Click Checklist for Managed Care..... You will find Provider Contract checklists, HMO checklists, Insurance Companies checklists etc. in this section.* https://www.mass.gov/orgs/division-of-insurance
6. In addition to the requirements outlined in the Managed Care Checklist(s), Issuers must also submit the following for each product offered and/or renewed:
    a. Evidence of Coverage and Schedule of Benefits (i.e. member cost-sharing responsibilities).
        i. As a reminder, Issuers that intend to provide rewards for actions on the part of members or discounts for services or providers should refer to Filing Guidance Notice 2012-D "Filings for Products that Include Rewards and/or Discounts" issued on July 11, 2012. http://www.mass.gov/ocabr/docs/doi/companies/checklists/2012-d.pdf
    b. Essential Community Provider Supplemental Response Form.
    c. Unique Plan Design Supporting Documentation and Justification.
    d. Pharmacy Drug List.
    e. Drug Formulary/Inadequate Category/Class Count Supporting Documentation and Justification.
    f. All Issuers that embed dental benefits within their medical products must submit all dental contract boilerplates via SERFF:
        i. Boilerplate contract(s) must be submitted regardless of whether the Issuer has recently filed the contract(s) and even if there have been no material changes; and
        ii. All boilerplate contracts must comply with 211 CMR 52.11. http://www.mass.gov/ocabr/docs/doi/legal-hearings/211-52.pdf
    g. An attestation that each of the Issuer's health benefit 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*; and
    h. Plan provider network documents including:
        i. Electronic copies of medical, dental and vision provider directories; and
        ii. 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 based for the following: 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. The Geo-access maps shall be informed by the electronic copies of all directories.

**If the Issuer does not believe that any part of the above-noted requested documentation is applicable to its filing, please provide a note in SERFF that explains the justification by line item.**

***Note:*** **As of January 2018 the Division's website was changed; therefore, your saved bookmarks may no longer work. Below is a list of links that will help Issuers locate important documentation re: additional requirements**.

a. Division of Insurance homepage:
   https://www.mass.gov/orgs/division-of-insurance
b. Division of Insurance Bulletins:
   https://www.mass.gov/lists/doi-bulletins
c. Division of Insurance Regulations:
   https://www.mass.gov/service-details/division-of-insurance-regulations
d. Massachusetts General Laws:
   https://malegislature.gov/Laws/GeneralLaws
e. Health Care Consumer Guides including Mandates: Click on the Mandatory Benefits Guide
   http://www.mass.gov/ocabr/insurance/health-insurance/consumer-guides/
f. Managed Care Checklists..... Locate the "In this List" box and Click Checklist for Managed Care..... You will find Provider Contract checklists, HMO checklists, Insurance Companies checklists etc. in this section.
   https://www.mass.gov/lists/policy-form-and-rate-filing-checklists
g. Health Filing Guidance: Locate the "In this List" box and Click Checklists
   https://www.mass.gov/lists/policy-form-and-rate-filing-checklists

PLAN MANAGEMENT MODULE – BINDER:

1. Issuers 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 Issuers intend to offer and/or renew for the 2019 Open Enrollment period.
2. The Plan Management Binder is to include those plans that the Issuer intends to offer and/or renew in 2019.
3. Each Plan shall be associated with a unique HIOS ID number and should not be duplicated in other binders for the upcoming plan year.

   Example #1: If the Issuer is offering an Individual plan, the plan must also be offered to Small Groups due to the Massachusetts Guaranteed Availability requirements. This plan will need to be designated with 2 unique HIOS ID numbers, (1) for the Individual market type and (2) for the Small Group market.

   Example #2: If the Issuer is submitting a plan in SERFF to be offered on-Exchange (i.e., the availability = to "both" in SERFF), the Issuer does not need to file another binder with the same plan or HIOS ID number for the off-Exchange plan.
4. Issuers are to provide a statement to confirm whether they have filed a variable cost-sharing template [including the appropriate SERRF filing number(s)] that include proposed 2019 plan designs.
5. In addition to the help documentation provided in SERFF, the following are instructions and/or explanations under the Plan Tab in the Plan Management module that will be used to identify filings either by the Issuer or the Division. The below is applicable to both QHPs and QDPs.

| Field: | Description: |
|---|---|
| Availability (Plan Tab) | The Issuer shall select the following attribute from the dropdown based on each standard component ID/plan.<br><br>**Both** = The plan is being offered and/or renewed both on and off the Exchange. *Due to Massachusetts guaranteed availability requirement, any plan offered and/or renewed on the Exchange must be offered and/or renewed off the Exchange. **Do not select "On Exchange" from the dropdown.**<br><br>**Off-Exchange** = The plan is only being offered and/or renewed off the Exchange. |
| Disposition Status (Plan Tab) | Upon final review of the filing, the Division will select one of the following attributes from the drop down based on each standard component ID/plan.<br><br>**State Certified for Inside Exchange** = The availability of the component ID/plan "both" OR "on-Exchange" AND the component ID/plan has been accepted and meets all the requirements of an acceptable plan.<br><br>**State Review Completed Outside the Exchange** = If the availability of the product reflects off-Exchange and the component ID/plan meets all requirements of an acceptable plan.<br><br>**Not Determined** = The component ID/plan has been withdrawn as requested by the Issuers.<br><br>**Certification Denied** = The component ID/plan does not meet all the requirements of an acceptable plan.<br><br>**Withdrawn** = The Issuer has requested that the component ID/plan be withdrawn. |

6. Templates
    a. Issuers must complete all templates and submit them to the Division (unless otherwise noted) as part of the Plan Management/Binder via SERFF. Each template may include one or more templates, instructions, and supporting documentation. There is also a section for review tools you can use to validate a completed template. Issuers may access the templates, relevant materials and review tools on the on the Centers for Medicare & Medicaid Services ("CMS") website at https://www.qhpcertification.cms.gov/s/Application%20Materials

| Template:* | Description: |
|---|---|
| Accreditation Template *(required only if this is the Organization's 1st time participating in QHP activities)* | Collects the accreditation attestations in the QHP Application and authorize the release of their accreditation survey data from the accrediting entity, if applicable. |
| Quality Improvement | Collects information on all issuers offering QHPs through the Exchanges that meet the Quality Improvement Strategy (QIS) participation criteria must comply with the QIS requirements as a condition of certification and participation in the Exchanges. CMS annually publishes the QIS Technical Guidance and User Guide, a detailed guide to the QIS requirements, and the QIS Implementation Plan and Progress Report Form, which is the QIS reporting tool for issuers applying for QHP Certification. |
| Quality Rating | Collects information on The Quality Rating System (QRS) rates QHPs based on relative quality and price and requires the display of QHP quality ratings on Exchange websites to assist in consumer selection of plans. QHP issuers are required to submit quality rating information as a condition of certification and participation in the Federally-facilitated Exchange (FFE). |
| Plans and Benefits Template | Collects plan and benefit data. (The template has a dependency on the Plan and Benefits Add-In Template) |
| Plan and Benefits Add-In Template | Collects data from Issuers to complete the Plan and Benefits Template. The template is not a separate attachment and should only be used as a resource for Issuers. Issuers do not need to submit the add-in template in SERFF. |
| Prescription Drug Template | Collects Formulary data for plans. |
| Plan Crosswalk | Collects the mapping (crosswalks) of the 2018 QHP plan ID and service area combinations (e.g., plan ID and county combinations) to a 2019 QHP plan ID. |
| Service Area Template | Information identifying an Issuer's geographic service area. |
| Essential Community Providers/Network Adequacy Template and Network ID Template | Collects data on the Essential Community Provider Network. |

***** Pre-loaded templates will be provided in SERFF by the National Association of Insurance Commissioners ("NAIC") for Issuers to download.

    b. For more info on the above required templates listed above, Issuers may visit the following website. https://www.qhpcertification.cms.gov/s/QHP

    c. Issuers may be required to submit additional templates to those listed above, as required and defined by CMS. If new templates are required, the Division will notify Issuers as soon as the information is available.

7. Rate Filings:
    a. Issuers must submit the following as part of the Plan Management/Binder in SERFF:
        i. Actuarial Value Calculation Explanation - Additional documentation of Actuarial Value calculation should be attached as supporting documentation for each plan noting the appropriate HIOS number per Binder. Please refer to the Division's Filing Guidance Notice 2013-G for specific requirements.
        ii. Issuers must submit proposed rate filings for single risk pool coverage intended to be effective January 1, 2019 (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 2, 2018 for a January 1, 2019 effective date. Rate filings and supporting information shall be submitted through SERFF, with federal Rate Filing Justification materials simultaneously posted in the Health Insurance Oversight System ("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).

| Template: | Description: |
|---|---|
| Rates Template | Collects rate data for each plan and rating area to be offered on the Exchange. |
| Business Rules Template | A federal data collection template for the Issuer-specific business rules to calculate rates based on various factors. |

    b. Issuers must submit the following using the HIOS:
        i. Federal rules require the filing of rate filing materials via HIOS. Issuers 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.
        ii. Rate Filing Justification materials include the following:
            1. Part I - Unified Rate Review Template (URRT)
            2. Part II - Written Description Justifying the Rate Increase (Consumer Justification Narrative)
            3. Part III - Rating Filing Documentation (Actuarial Memorandum)
        iii. For more information on the final 2019 Notice of Benefit and Payment Parameters, Issuers should refer to https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-07355.pdf
        iv. For more information on the 2019 Unified Rate Review and Instructions, Issuers should refer to https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2019-URR-Instructions.pdf

## QHP and QDP Certification Timeline

Issuers shall refer to the Health Connector RFR for Seal of Approval instructions and additional timeline for QHP and QDP activities. https://www.commbuys.com/bso/external/bidDetail.sdo?docId=BD-18-1175-1175C-1175L-24825&external=true&parentUrl=bid

Below is the timeline related to the Division's review of QHP and QDP filings and all associated activities.

| Dates: | Activity: |
|---|---|
| 4/13/2018 | Division Issues QHP and QDP Filing Guidance Notice to all Issuers. |
| Ongoing | Issuers to submit questions via email to the Division related to the QHP Filing Guidance. Send questions to bmc.mailbox@mass.gov. |
| Ongoing | The Division responds to questions via email to Issuers and posts final FAQs on the Division website. Note: FAQs will be updated periodically with questions that are submitted from Issuers and answered by the Division after the deadline. The link to the FAQs will be sent to Carriers via email. Please check the location and link of the FAQs periodically for the most up-to-date information. |
| 6/22/2018 | **On-Exchange Health and Dental Products:** Issuer deadline to submit Plan Management Binders with all completed templates and supporting documentation except the Binder's Business Rules Template and the Rate Data Template to the Division via SERFF. *Note: all On-Exchange products will be offered and/or renewed off the Exchange per the Massachusetts guaranteed availability requirements. |
| 6/22/2018 – 10/2018 | Division reviews SERFF filings; completion date may differ based on each Issuer submission. |
| 6/29/2018 | **Off-Exchange Health and Dental Products Only:** Issuer deadline to submit Plan Management Binders with all completed templates and supporting documentation except the binder's Business Rules Template and the Rate Data Template to the Division via SERFF. |
| 7/2/2018 | Rate Filings due to the Division for all products via SERFF - includes the Binder's Business Rules Template and the Rate Data Template. |
| No later than 10/2018 | Division places submissions on file and certifies plans in SERFF (for approved plans). |