



COMMONWEALTH OF MASSACHUSETTS
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DIVISION OF INSURANCE

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HEALTH COVERAGE
Filing Guidance Notice 2023-B

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

FROM: Kevin Beagan, Deputy Commissioner, Health Care Access Bureau

DATE: March 17, 2023

RE: Rate Filing Materials to be submitted for 3Q2023, 4Q2023, and CY2024

This Filing Guidance Notice informs insurance carriers (“Carriers”) regarding the timing and content of rate filing materials to be submitted for third-quarter 2023 (“3Q2023”), fourth-quarter 2023 (“4Q2023”), and calendar-year 2024 (“CY2024”) rating periods in response to recent changes promulgated to 211 CMR 66.00, *Small Group Health Insurance*, pertaining to the merged market (individual and small group market). This Filing Guidance Notice sets forth rules that the Massachusetts Division of Insurance (“Division”) and the Commonwealth Health Connector Insurance Authority (“Health Connector”) have identified as appropriate for timely submission and review of merged market filings for the 3Q2023, 4Q2023, and CY2024 rating periods.

Timing of Filings

Rate Filings for 3Q2023

By April 2, 2023, via the System for Electronic Rate and Form Filings (“SERFF”), Carriers are to submit rate filings for merged market coverage proposed for issuance or renewal between July 1, 2023 and September 30, 2023 (i.e., 3Q2023). Carriers are expected to submit such rate filings using the same data collection tool (“DCT”) template that was used to submit the 2Q2023 filing. The Division will review complete rate filings and will respond to Carriers regarding the status of these filings by no later than 45 days prior to the proposed effective date of July 1, 2023.

Rate Filings for 4Q2023

By no later than May 30, 2023, Carriers are to submit rate filings via SERFF for merged market coverage proposed to be issued or renewed between October 1, 2023 and December 31, 2023 (i.e., 4Q2023). Carriers are expected to submit such rate filings via SERFF using the same DCT template that was used to submit the 2Q2023 filing. The Division will review complete rate filings and will respond to Carriers regarding the status of these filings by no later than 45 days prior to the proposed effective date of October 1, 2023. Within the 4Q2023 rate filing, Carriers may use the same claims experience and actuarial assumptions used in the 3Q2023 or CY2024 filing as a basis for claims projections.

Rate Filings for CY2024

By no later than May 15, 2023, Carriers are to submit rate filings via SERFF for merged market coverage proposed to be issued or renewed between January 1, 2024 and December 31, 2024 (i.e., CY2024). Carriers are expected to submit such rate filings using the calendar-year data collection tool (“DCT”) template that is currently in development. The Division will review complete rate filings and will respond to Carriers regarding the status of these filings during the summer of 2023.

In addition to the rate filing, Carriers are expected to submit the CY2024 Plan and Benefit Template and the Plan ID Crosswalk Template to the SERFF Plan Binder by no later than May 15, 2023, as noted in Filing Guidance Notice 2023-A. Exchange-Certified Stand-Alone Dental Plans, as defined in final rules established by the federal Department of Health and Human Services, shall be submitted in accordance with the provisions of the federal Patient Protection and Affordable Care Act.

Rating Rules

As described in the Commonwealth Health Insurance Connector Authority’s (the “Health Connector”) Request for Responses, Health Benefit Plans – Seal of Approval, released on March 17, 2023, Carriers seeking Seal of Approval for their plans are to comply with all the required features of the Health Connector Request for Responses. Carriers are to present information within the rate filing that demonstrates compliance with the Health Connector rules, including rules associated with the Provider Network Adjustment (or Network Factor).

Induced Demand Factors

When developing plan-specific benefit level rate adjustment factors (“AV and Cost Sharing Design of Plan Factors” or “Pricing Actuarial Values”), according to the federal URRT (“Unified Rate Review Template”) instructions, Carriers are to base such factors on the cost sharing and benefits of each benefit plan, and on the utilization patterns due to cost-sharing differences, otherwise known as induced demand. The Division will continue to collect information from Carriers and other parties on the AV and Cost-Sharing Design of Plan Factors – including its components: cost-sharing and benefit factor, induced demand factor, and the CSR Silver Plan Load. For CY2024 rate filings it is expected that the highest induced demand factor used should not be more than 60% higher than the lowest induced demand factor within each Carrier’s product portfolio.

Rate Filing Summary

Carriers are required to submit a rate filing summary along with calendar-year filings as outlined within 211 CMR 66.08(3)(c). The specifics of the rate filing summary will be addressed in a future Filing Guidance Notice.

If you have any questions about the content of this Filing Guidance Notice, please contact Kevin Beagan at 617-521-7323 or kevin.beagan@state.ma.us.