

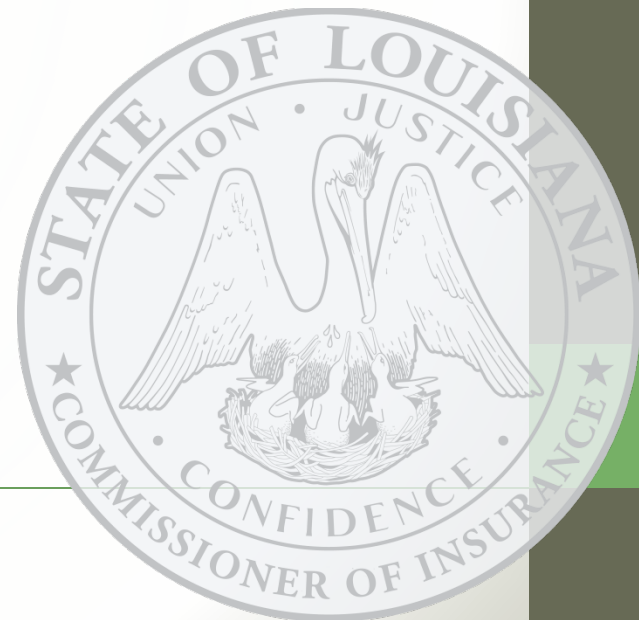
# Health Rate Filings

Rate Review Process for Individual  
and Small Group Markets

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# What we will cover

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- Louisiana's Rate Review Program
- Rates subject to review
- Rates not subject to review
- Filing requirements
- What LDI will do
- What about the forms?



# Louisiana's Rate Review Program





# Louisiana's Rate Review Program

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## ➤ ACT 718

- Effective June 18, 2014
- Established rate review for the individual and small group market.
- These rate filings will be reviewed to determine whether the rate filing is reasonable.





# Louisiana's Rate Review Program

## ➤ ACT 718

- Within 15 days of submission of any proposed rate increase that meets or exceeds the 10% federal review threshold, the LDI will publish on its website information regarding the proposed rate increase.
  - The name of the health insurance issuer or health maintenance organization;
  - The name of the product that has been filed;
  - The number of covered lives estimated to be enrolled or potentially enrolled on a product;
  - The percentage of the rate increase;
  - The reason for the potential rate increase.
- The public will have 30 days to submit comments regarding the rate increase.







# Louisiana's Rate Review Program

## ➤ Directive 206

- Initial and rate changes for individual and small group markets are subject to review.
- Rates must be filed electronically through SERFF.
- Non-grandfathered rate filings must be submitted to both the LDI and CMS.
- Transitional rate filings must be sent to LDI but only sent to CMS using the old Rate Review Justification system if 10% or over.
- An issuer may not implement the rate until the LDI determines whether the threshold rate increase is reasonable or unreasonable and/or determines whether the rates comply with ACA rating restrictions.



# Rates subject to review





# Rates subject to review

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## ➤ Non-grandfathered plans

### ➤ This includes:

- Single risk pool (QHP and non-QHPs in the individual and small group markets)
  - Initial filings and any rate changes
- Student health plans

## ➤ Transitional plans

### ➤ Only rate changes





# Filing requirements





# Filing Requirements - All Rate Filings

- If the filing includes both forms and rates, please make the filing type in SERFF as “Form/Rate”.
- In SERFF, please provide a cover letter which details the information contained in the filing. Specifically, the reasons for the proposed rate increase.
- In SERFF under the Rate/Rule Schedule tab, please provide accurate information for the Company Rate Information.
  - This includes the number of policy holders and covered lives.
- No filing fee for a rate only filing.





# Filing Requirements - Non-Grandfathered-Initial Rates

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- Submit to LDI and CMS the following:
  - Part I of the (URRT)-the CMS unified rate review template
  - Part III of the URRT-actuarial memorandum supporting the rate filing
  
- Submit only to LDI:
  - Small Group and Individual Rates Disclosure and Review Checklist
  - Actuarial Data Template





# Filing Requirements - Non-Grandfathered-Rate Change

- Submit to LDI and CMS the following:
  - Part I of the (URRT)-the CMS unified rate review template
  - Part II of the URRT-a written description justifying the rate increase (submit if 10% or over)
  - Part III of the URRT-actuarial memorandum supporting the rate filing
- Submit only to LDI:
  - Small Group and Individual Rates Disclosure and Review Checklist
  - Actuarial Data Template
  - Both of these documents can be located in SERFF under submission requirements





# Filing Requirements - Transitional

- Transitional plans-below 10%
- Submit to LDI
  - A statement, explanation, justification and demonstration of the rate increase.
  - Sufficient relevant and current data that a qualified actuary can confirm the rate increase is below the 10% threshold.
  - A signed statement attesting to the accuracy of the rates.







# Filing Requirements - Transitional

- Transitional plans at or above 10%
  - Submit to LDI and CMS using the older URRT in the Rate Review Justification System (RRJ)
    - Part I of the URRT-Rate Increase Summary Form
    - Part II of the URRT-a written description justifying the rate increase
    - Part III of the URRT-actuarial memorandum supporting the rate filing





# Filing Requirements - Student Health Plans

- Include an actuarial memorandum with sufficient clarity that another actuary could make an objective appraisal of the reasonableness of the pricing.
- An exhibit which states the plan designs offered and the Metal AV of each plan.
- A comparison of the proposed rates to the current rate schedule.
- Include past experience for the previous three years
  - This should include at a minimum the earned premium, incurred claims, loss ratio and exposures.





# Filing Requirements - Student Health Plans

- Non-Benefit Expenses and Profit and Risk
  - The 2013 yearend Supplemental Health Care Exhibit and demonstrate how the 2015 compares to the actual 2013 expenses and explain/support any variation.
  - Compare the projected retention assumptions in the current filing to the assumption used in the previous filing, and reconcile any differences (e.g. Administrative Expenses, Profit and Risk Load, Taxes, etc.).





# Filing Requirements - Student Health Plans

- Medical Loss Ratio (MLR)
  - Provide the derivation of the projected loss ratio, before and after MLR adjustments.
    - This shall be calculated in accordance with Part 158 of Title 45 of the Code of Federal Regulations and other applicable law.
  - MLR which include margins or variables not provided for in the federal regulations is not permissible.



# What LDI will do







# What LDI will do - Initial or Rate Changes

- Rate filings:
  - The LDI staff will review filings for administrative completeness.
  - If incomplete, an objection letter will be sent through SERFF.
  - If administratively complete, the LDI will submit the filing to a contracted actuarial firm to conduct the substantive review.





# What LDI will do

- Rate increases that are 10% or higher
  - Within 15 days of submission of any proposed rate increase that meets or exceeds 10%, the LDI shall publish on its website information regarding the rate increase.
    - The information on website will include:
      - Company name
      - Rate requested
      - Number of persons covered
      - Effective date
      - Status
      - Comment section
    - The public will have 30 days to submit comments.





# What LDI will do

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- Rate filings:
  - If the actuary finds areas of non-compliance, the actuary will send objection to filer through SERFF
  - The actuary will determine the reasonableness or unreasonableness of the rates and compliance with ACA rating restrictions.
  - Within five days of making the determination, the LDI will provide the determination to CMS.
  - The LDI will also send a letter to the company via SERFF of our determination.



# What about the forms?





# What about the forms?

- Rate filings with forms
  - Form review will be a separate review process from rate review.
  - The forms may be approved before a determination has been made on the rates.
  - When the forms are closed in SERFF, the SERFF filing will be re-opened to continue the rate review.
  - If the forms are closed before the rates there will be a notice on the letter that states the forms cannot be used until a determination has been made on the rates.





# Questions



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