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# DIRECTIVE NUMBER 01 – 162

## Rating Requirements For Medical Savings Accounts

**TO: ALL CARRIERS OFFERING MEDICAL SAVINGS ACCOUNTS AND OTHER UNIQUELY PACKAGED HEALTH INSURANCE PRODUCTS**

## PURPOSE

It has come to my attention that including health insurance policies sold under Medical Savings Accounts (hereinafter referred to as MSA) and other uniquely packaged health insurance products, as provided by state and federal law, does not promote efficiency and fairness in the small employer and individual health insurance marketplace. Based on the Department's review of MSAs and other uniquely packaged health insurance products in the markets of Louisiana, I have approved the following changes in rating requirements for small group and individual health insurance policies:

1. For small group health insurance rating purposes, those federally qualifying Medical Savings Account health insurance policies, certificates or subscriber agreements shall be recognized as a distinct grouping pursuant to LSA-R.S. 22:228.1(B)(5)(c). Also pursuant to LSA-R.S. 22:228.1(B)(5)(c), other uniquely packaged health insurance products, such as basic medical expense coverage, may also be recognized as a distinct grouping subject to the establishment of such groupings satisfactory to the Commissioner.

2. For individual health insurance rating purposes, those federally qualifying Medical Savings Account health insurance policies, certificates or subscriber agreements carriers shall be authorized to utilize a Medical Savings Account classification factor pursuant to LSA-R.S. 22:228.6. Similarly, other uniquely packaged health insurance products, such as basic medical expense coverage, shall be authorized to utilize a distinct classification factor upon review and approval of such uniquely packaged health insurance products. The maximum adjustment applicable to all other factors approved by the Department, including Medical Savings Accounts, shall not exceed fifteen percent.

All carriers offering MSAs and other uniquely packaged health insurance products in Louisiana should review the rating guidelines applicable to small group and individual health products and adjust their renewal premiums effective for renewals on or after January 1, 2002.

All carriers offering MSAs in Louisiana shall file with the Office of Health Insurance a listing of all small group and individual health products that are marketed in conjunction with MSAs no later than March 1, 2002. All carriers seeking approval of other uniquely packaged health insurance products should file their request along with a specimen copy of the product with the Office of Health Insurance.

Please be governed accordingly.

BY:_____
J. ROBERT WOOLEY
ACTING INSURANCE COMMISSIONER