

Health Connector Policy: Rating and Re-Rating – Qualified Health Plans

Policy #: **SB-15**

Date revised: **6/18/2015**

Category: **Rating**

Effective date: **1/1/2014**

Approved by: **Ed DeAngelo**

Applicable to all Small Group Health Connector Qualified Health Plan (QHP) products

The following factors are collected to calculate the associated monthly premiums for an eligible employer group at time of initial enrollment and/or renewal:

1. Business address ZIP Code;
2. Effective date of coverage;
3. For the enrolling employee and COBRA qualified beneficiary only, selection of a medical coverage rate basis type.
4. For enrolling employees, dependents and COBRA qualified beneficiaries:
 - a. Date of birth
 - b. Use of tobacco products for persons who are able to legally purchase tobacco.
5. SIC

Rating methodology must be consistent with all applicable State and federal guidance, both final and, if not final, proposed.

For Business Express:

For carriers electing to use composite billing:

At the time of initial quoting, all premiums will be based on the four-tier composite rates (Individual, Individual and Spouse, Individual and Dependent(s), Family) for each subscriber. The composite rates must be based on the per-member (list) rates of every subscriber and their dependents and, at time of initial quoting, the total group premium calculated by the per-member (list) rates will equal that calculated by the composite rates.

All mid-year additions, terminations and changes to subscribers and dependents will be based on the four-tier composite rates of the relevant subscribers. The composite rates will not change during a given plan year, with the exception of circumstances detailed in the Health Connector Terms and Conditions.

For carriers electing to use per-member list billing:

At the time of initial quoting, all premiums will be based on the per-member (list) rates of every subscriber and their dependents. The total group premium will equal the sum of all of the members enrolling in coverage. Four-tier composite rates (Individual, Individual and Spouse, Individual and Dependent(s), Family) will also be provided for reference purposes only. At time of initial quoting, the total group premium calculated by the per-member (list) rates will equal that calculated by the composite rates.

All mid-year additions, terminations and changes to subscribers and dependents will be based on per-member (list) rates of the relevant members. The reference composite rates will not change during a given plan year.

Enrollment (Re-rating)

Definition: Any change to a small employer group's account that includes a change to a rating factor prior to the group's initial effective date of coverage will require re-rating of the group.

A group will be re-rated when a change is made in the first 30 days after a policy has been implemented and that change has an effective date that is the same as the plan year effective date. If a change of this type happens after the initial 30 days it will be adjusted at renewal and not mid-year.

For example: If a group is sold for new business on May 1, or the group renews on May 1, then the Health Connector reserves the right to re-rate if the group's final sold enrollment changes within the 30 days of that initial new business effective date or renewal date. However, if the 30 days has expired with no changes then all future changes will take place upon the group's renewal date and not mid-year. It is important to note however, that the carriers do reserve the right to re-rate if the census changes dramatically.

In the event an employer group experiences a change in premium rate after the initial invoice has been mailed, a new invoice will be generated reflecting the new, adjusted rate.

Renewal

Any change to an employer group's census or account at the time of renewal must be submitted in writing no later than ten (10) business days prior to their anniversary date.

In the event a renewing employer group experiences a change in premium rate after the initial renewal invoice has been mailed, a new invoice will be generated reflecting the new, adjusted renewal rate.

¹ Please reference the policy [Employer Contribution Requirements \(SB-4A\)](#)