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BULLETIN 13-12

Date: March 27, 2013

To: Insurers, Nonprofit Health Service Plans, Association Plans and Health Maintenance Organizations ("Carriers") Providing Health Benefit Plans in Maryland

Re: Process for Submitting Consumer Disclosure Information for Health Benefit Plans in the Individual and Small Employer Group Markets

This bulletin serves to inform carriers providing health benefit plans of changes to the rate filing process for all plans with an effective date on or after January 1, 2014 in the individual and small employer group markets. The Maryland Insurance Administration (MIA) currently requires carriers to submit certain consumer disclosure documents for all rate change filings in the individual and small employer group markets. For plans with an effective date on or after January 1, 2014, the required documentation will change depending on the status of that plan as a grandfathered or non-grandfathered plan. Grandfathered plans are those defined in § 1251 of the Patient Protection and Affordable Care Act.

According to § 31-101(g) of the Insurance Article, Annotated Code of Maryland, the definition of a "health benefit plan" means a policy, contract, certificate, or agreement offered, issued, or delivered by a carrier to an individual or small employer in the State to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services. This definition includes coverage sold to individuals and small groups through associations. The definition of "health benefit plan" does not include a variety of plans such as limited scope dental plans, nursing home care, or long-term care plans. For a full list of what does not qualify as a "health benefit plan" see Md. Code Ann. Ins. § 31-101(g).

For grandfathered health benefit plans with rate change requests, the MIA will require the following documentation:

- Preliminary Justification Part I
- Preliminary Justification Part II
- Consumer Friendly Summary

For non-grandfathered health benefit plans with rate change requests, the MIA will require the following documentation:

- Unified Rate Review Template
- Preliminary Justification Part II
- Rate Filing Documentation Part III
- Consumer Friendly Summary

On March 28, 2013, the Center for Consumer Information & Insurance Oversight will be finalizing the Uniform Rate Review Template. Until such time, the MIA will make the draft template available on the MIA website. Carriers must use the draft template for non-grandfathered plan filings until the finalized template is available. After March 28, 2013, Preliminary Justification Part I will no longer be available through HIOS. The MIA will post the Preliminary Justification Part I to the MIA website so that it can still be downloaded and submitted for grandfathered plans.

Carriers should submit rate filings via SERFF after the required consumer disclosure documentation has been attested in HIOS. Once the forms have been attested in HIOS, then the carriers can submit the SERFF filing to the MIA along with the Consumer Friendly Summary. The consumer disclosure documentation must match exactly what is posted to HIOS. Carriers must submit Preliminary Justification Part I and the Unified Rate Review Template to the MIA in both PDF and Excel format through SERFF. The Rate Filing Documentation Part III should contain information that justifies the data collected in the Unified Rate Review Template and is a subset of the information required by the MIA in the full Actuarial Memorandum. For more detail on what should be included in the Rate Filing Documentation Part III please refer to 45 CFR 154.215(f).

Please note that the MIA has updated the Consumer Friendly Summary. Carriers can download the new version from the MIA website for use with all filings. The changes reflect the fact that carriers must provide the incremental premium rate change, not the year-over-year premium rate change. Additionally, carriers must submit information about the three most recent incremental premium rate changes approved for the product along with the month and year those changes were made. A copy of the updated Consumer Friendly Summary can be found below.

Questions concerning this bulletin may be directed to Megan Mason, Special Assistant to the Commissioner for Health Care Reform at megan.mason@maryland.gov.

Signature on original

Karen Stakem Hornig
Deputy Commissioner

Consumer Friendly Summary

Issuer Marketing Name: [REDACTED]

NAIC Company Code: [REDACTED]

Market Segment: ☐ Small Group ☐ Individual

SERFF Tracking Number: [REDACTED]

[REDACTED] has requested approval of a premium rate change for the following product in Maryland: [REDACTED] and [REDACTED].

If the premium rate change is approved as requested:

1. The average premium rate change for this product in Maryland would be [REDACTED].

** The rate changes discussed in this document are all incremental, which means an increase or decrease to the rate which was previously approved. These changes are typically filed on either an annual, semiannual, or quarterly basis. Note that the proposed change is an average incremental premium rate change for all covered groups or individuals. Your premium may be higher or lower than this average. In addition to the rate change, your premium may change because of factors such as age, family structure, and geographic area.*

2. The proposed effective date of the premium rate change is [REDACTED].

**Your premium rate change may vary based on the anniversary date of your policy and other factors.*

3. This premium rate change may affect [REDACTED] people.

4. The primary factors driving this proposed change in premium rates are:

[REDACTED]

5. The most recent three premium rate changes for this product:

Month & Year	Requested	Approved
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]