

NY

ATTACHMENT C

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 1 of 2

Identifying Information:

Grant Opportunity: **HHS Health Insurance Rate Review Grants-Cycle I**

DUNS #: 127699655 Grant Award: \$1 million

Applicant: Insurance, New York Department of

Primary Contact Person, Name: Magda Schaler-Haynes

Telephone Number: 212-480-7197 Fax number: 212-480-2310

Email address: mschaler-haynes@ins.state.ny.us

Opportunity Title:	"Grants to States for Health Insurance Premium Review-C
Offering Agency:	Ofc of Consumer Information & Insurance Oversight
CFDA Number:	93.511
CFDA Description:	Affordable Care Act (ACA) Grants to States for Health I
Opportunity Number:	RFA-FD-10-999
Competition ID:	ADOBE-FORMS-B
Opportunity Open Date:	06/07/2010
Opportunity Close Date:	07/07/2010
Agency Contact:	Gladys Melendez-Bohler Grant Specialist E-mail: Gladys.Melendez-Bohler@fda.hhs.gov Phone: 301-827-7168

**This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.**

**If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.**

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

\* Application Filing Name:

**Mandatory Documents**

Move Form to Complete

Move Form to Delete

**Mandatory Documents for Submission**

**Optional Documents**

Move Form to Submission List

Move Form to Delete

**Optional Documents for Submission**

## Instructions

- 1** Enter a name for the application in the Application Filing Name field.

  - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
  - You can save your application at any time by clicking the "Save" button at the top of your screen.
  - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
  
- 2** Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

  - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
  - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
  - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
  - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
  
- 3** Click the "Save & Submit" button to submit your application to Grants.gov.

  - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
  - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
  - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
  - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

**Application for Federal Assistance SF-424**

<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	<b>* If Revision, select appropriate letter(s):</b> _____ <b>* Other (Specify):</b> _____
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<b>* 3. Date Received:</b> Completed by Grants.gov upon submission.	<b>4. Applicant Identifier:</b> _____
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<b>5a. Federal Entity Identifier:</b> _____	<b>5b. Federal Award Identifier:</b> _____
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**State Use Only:**

<b>6. Date Received by State:</b> _____	<b>7. State Application Identifier:</b> _____
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**8. APPLICANT INFORMATION:**

**\* a. Legal Name:** Insurance, New York Department of

<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 14-6013200	<b>* c. Organizational DUNS:</b> 1276996550000
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**d. Address:**

**\* Street1:** 25 Beaver Street, Third Floor Executive  
**Street2:** \_\_\_\_\_  
**\* City:** New York  
**County/Parish:** \_\_\_\_\_  
**\* State:** NY: New York  
**Province:** \_\_\_\_\_  
**\* Country:** USA: UNITED STATES  
**\* Zip / Postal Code:** 10004-2310

**e. Organizational Unit:**

<b>Department Name:</b> New York State Insurance Dept.	<b>Division Name:</b> _____
---	--------------------------------

**f. Name and contact information of person to be contacted on matters involving this application:**

**Prefix:** \_\_\_\_\_ **\* First Name:** Magda  
**Middle Name:** \_\_\_\_\_  
**\* Last Name:** Schaler-Haynes  
**Suffix:** \_\_\_\_\_

**Title:** Senior Health Policy Advisor

**Organizational Affiliation:**  
New York State Insurance Department

**\* Telephone Number:** 212-480-7197 **Fax Number:** 212-480-2310

**\* Email:** mschaler-haynes@ins.state.ny.us

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:  
[Empty field]

Type of Applicant 3: Select Applicant Type:  
[Empty field]

\* Other (specify):  
[Empty field]

**\* 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

**11. Catalog of Federal Domestic Assistance Number:**

93.511

CFDA Title:  
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

**\* 12. Funding Opportunity Number:**

RFA-FD-10-999

\* Title:  
"Grants to States for Health Insurance Premium Review-Cycle I" Office of Consumer Information and Insurance Oversight (OCIIO)

**13. Competition Identification Number:**

ADOBE-FORMS-B

Title:  
[Empty field]

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

[Empty field]

**\* 15. Descriptive Title of Applicant's Project:**

Premium Review Grant: Health Insurance Premium Review Enhancement Project- Cycle 1

Attach supporting documents as specified in agency instructions.

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**Add Attachment**

**Delete Attachment**

**View Attachment**

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**Add Attachment**

**Delete Attachment**

**View Attachment**

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:

\* Date Signed:

## Key Contacts Form

**\* Applicant Organization Name:**

Insurance, New York Department of

Enter the individual's role on the project (e.g., project manager, fiscal contact).

**\* Contact 1 Project Role:** Project Director

Prefix:

**\* First Name:** John

Middle Name:

**\* Last Name:** Powell

Suffix:

Title: Assistant Deputy Superintendent for Health

Organizational Affiliation:

New York State Insurance Department

**\* Street1:** One Commerce Plaza

Street2:

**\* City:** Albany

County:

**\* State:** NY: New York

Province:

**\* Country:** USA: UNITED STATES

**\* Zip / Postal Code:** 12257

**\* Telephone Number:** 518-474-4567

Fax:

**\* Email:** jpowell@ins.state.ny.us

Delete Entry

Previous Person

Next Person

## Key Contacts Form

**\* Applicant Organization Name:**

Insurance, New York Department of

Enter the individual's role on the project (e.g., project manager, fiscal contact).

**\* Contact 2 Project Role:** Business Primary Point of Contact

Prefix:

\* First Name: Karen

Middle Name:

\* Last Name: Cole

Suffix:

Title: DIRECTOR OF ADMINISTRATION AND OPERATIONS

Organizational Affiliation:

New York State Insurance Department

\* Street1: 25 Beaver Street, Third Floor Executive

Street2:

\* City: New York

County:

\* State: NY: New York

Province:

\* Country: USA: UNITED STATES

\* Zip / Postal Code: 10004

\* Telephone Number: 212-480-5312

Fax: 212-480-5321

\* Email: kcole@ins.state.ny.us

Delete Entry

Previous Person

Next Person

## Key Contacts Form

**\* Applicant Organization Name:**

Insurance, New York Department of

Enter the individual's role on the project (e.g., project manager, fiscal contact).

**\* Contact 3 Project Role:** Assistant Project Director

Prefix:

**\* First Name:** Louis

Middle Name:

**\* Last Name:** Felice

Suffix:

Title: Chief Examiner, Health Bureau

Organizational Affiliation:

New York State Insurance Department

**\* Street1:** 25 Beaver Street

Street2: Second Floor, Health Bureau

**\* City:** New York

County:

**\* State:** NY: New York

Province:

**\* Country:** USA: UNITED STATES

**\* Zip / Postal Code:** 10004

**\* Telephone Number:** 212-480-5120

Fax:

**\* Email:** lfelice@ins.state.ny.us

Delete Entry

Previous Person

Next Person



### Project/Performance Site Location(s)

**Project/Performance Site Primary Location**  I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Project/Performance Site Location 1**  I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

Additional Location(s)

## ATTACHMENTS FORM

**Instructions:** On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

**Important:** Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

1) Please attach Attachment 1	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment

## Objective Work Plan

**Project:**

Premium Review Grant: Health Insurance Premium Review Enhancement Project- Cycle 1

**\* Year:      \* Funding Agency Goal:**

1

To enhance state rate review capacity.

**\* Objective:**

To enhance the New York State Insurance Department's health insurance rate review capacities

**\* Results or Benefits Expected:**

The Insurance Department expects that these enhancements will result in greater capacity for the unit to evaluate rates under the Federal PPACA.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
For details required in these boxes, please see separate document in Excel Spreadsheet format entitled "Workplan." Details did not fit in the boxes of this form.	See attached	10/01/2010	12/01/2010	1

## Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours

**\* Criteria for Evaluating Results or Benefits Expected:**

The Insurance Department expects that these enhancements will result in greater capacity for the unit to evaluate rates under the Federal PPACA.

## Objective Work Plan

You may attach up to 17 additional Objective Work Plan forms here. To extract, fill and attach each additional form, follow these steps:

- Select the "Select to Extract the Objective Work Plan Attachment" button below.
- Save the file using a descriptive name to help you remember the content of the supplemental form that you are creating. When assigning a name to the file, please remember to give it the extension ".pdf" (for example, "Objective\_1.pdf"). If you do not name your file with the ".pdf" extension you will be unable to open it later, using Adobe Reader.
- Use the "Open Form" tool on Adobe Reader to open the new form you just saved.
- Enter your additional Objective information in this supplemental form, similar to the Objective Work Plan form that you see in the main body of your application.
- When you have completed entering information in the supplemental form, save and close it.
- Return to this page and attach the saved supplemental form you just filled in, to one of the blocks provided on this "attachments" form.

**Important:** Attach additional Objective Work Plan forms, using the blocks below. Please remember that the files you attach must be Objective Work Plan PDF forms that were previously extracted using the process outlined above. Attaching any other type of file may result in the inability to submit your application to Grants.gov. Note: It is important to attach completed forms only. Attach ONLY PDF (.pdf) forms where ALL required fields are filled out. Incomplete or missing data will cause your application to be rejected.

Select to extract the Objective Work Plan Attachment

1) Please attach Attachment 1		Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2		Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3		Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4		Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5		Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6		Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7		Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8		Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9		Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10		Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11		Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12		Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13		Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14		Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15		Add Attachment	Delete Attachment	View Attachment
16) Please attach Attachment 16		Add Attachment	Delete Attachment	View Attachment
17) Please attach Attachment 17		Add Attachment	Delete Attachment	View Attachment

## Project Abstract

The Project Abstract must not exceed one page and must contain a summary of the proposed activity suitable for dissemination to the public. It should be a self-contained description of the project and should contain a statement of objectives and methods to be employed. It should be informative to other persons working in the same or related fields and insofar as possible understandable to a technically literate lay reader. This Abstract must not include any proprietary/confidential information.

\* Please click the add attachment button to complete this entry.

## Project Narrative File(s)

---

\* Mandatory Project Narrative File Filename:

**Add Mandatory Project Narrative File**

**Delete Mandatory Project Narrative File**

**View Mandatory Project Narrative File**

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To add more Project Narrative File attachments, please use the attachment buttons below.

**Add Optional Project Narrative File**

**Delete Optional Project Narrative File**

**View Optional Project Narrative File**

## Budget Narrative File(s)

---

\* Mandatory Budget Narrative Filename:

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

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To add more Budget Narrative attachments, please use the attachment buttons below.

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)



**BUDGET INFORMATION - Non-Construction Programs**

OMB Approval No. 4040-0006  
Expiration Date 07/30/2010

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Rate Review Enhancement	93.511	\$ 0.00	\$ 0.00	\$ 1,000,000.00	\$ 0.00	\$ 1,000,000.00
2.						
3.						
4.						
<b>5. Totals</b>		\$	\$	\$ 1,000,000.00	\$	\$ 1,000,000.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Rate Review Enhancement				
<b>a. Personnel</b>	\$ 267,180.00	\$	\$	\$	\$ 267,180.00
<b>b. Fringe Benefits</b>	137,704.00				137,704.00
<b>c. Travel</b>	12,000.00				12,000.00
<b>d. Equipment</b>	57,380.00				57,380.00
<b>e. Supplies</b>	1,050.00				1,050.00
<b>f. Contractual</b>	473,936.00				473,936.00
<b>g. Construction</b>					
<b>h. Other</b>	50,750.00				50,750.00
<b>i. Total Direct Charges (sum of 6a-6h)</b>	1,000,000.00				\$ 1,000,000.00
<b>j. Indirect Charges</b>					\$
<b>k. TOTALS (sum of 6i and 6j)</b>	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
<b>7. Program Income</b>	\$	\$	\$	\$	\$

**SECTION C - NON-FEDERAL RESOURCES**

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	n/a	\$	\$	\$	\$
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$	\$	\$	\$

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 1,000,000.00	\$ 1,000,000.00	\$ 0.00	\$ 0.00	\$ 0.00
14. Non-Federal	\$	0.00	0.00	0.00	0.00
15. TOTAL (sum of lines 13 and 14)	\$ 1,000,000.00	\$ 1,000,000.00	\$ 0.00	\$ 0.00	\$ 0.00

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

	(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
		(b) First	(c) Second	(d) Third	(e) Fourth
16.	n/a	\$	\$	\$	\$
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		\$	\$	\$	\$

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges: n/a	22. Indirect Charges: n/a
23. Remarks: See attached budget narrative (in chart form) for further explanation of all budgetary allocation for these Cycle I funds.	

## ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Senior Health Policy Advisor</p>
<p>* APPLICANT ORGANIZATION</p> <p>Insurance, New York Department of</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB  
0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
--	--	--

**4. Name and Address of Reporting Entity:**

Prime     SubAwardee

\* Name:

\* Street 1:     Street 2:

\* City:     State:     Zip:

Congressional District, if known:

**5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:**

<b>6. * Federal Department/Agency:</b> <input type="text" value="Health and Human Services"/>	<b>7. * Federal Program Name/Description:</b> <input type="text" value="Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review"/>  CFDA Number, if applicable: <input type="text" value="93.511"/>
--	---

<b>8. Federal Action Number, if known:</b> <input type="text"/>	<b>9. Award Amount, if known:</b> \$ <input type="text"/>
--	--

**10. a. Name and Address of Lobbying Registrant:**

Prefix  \* First Name  Middle Name

\* Last Name  Suffix

\* Street 1:     Street 2:

\* City:     State:     Zip:

**b. Individual Performing Services** (including address if different from No. 10a)

Prefix  \* First Name  Middle Name

\* Last Name  Suffix

\* Street 1:     Street 2:

\* City:     State:     Zip:

**11.** Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* Signature:

\* Name: Prefix  \* First Name  Middle Name

\* Last Name  Suffix

Title:     Telephone No.:     Date:

## Basic Work Plan

1. Estimated date of established funding agreement with State:

Note: Tasks starting before this date are not eligible for funding, and cannot be counted toward matching funds.

**Describe the tasks in the work plan:**

2 a. Describe this task or milestone:

b. Name of person or organization responsible for carrying out task:

c. How long will this task take to complete?  months

d. Justify how this project task contributes to project completion: (800 character limit - about 133 words)

## Project Abstract Summary

**Program Announcement (CFDA)**

93.511

**\* Program Announcement (Funding Opportunity Number)**

RFA-FD-10-999

**\* Closing Date**

07/07/2010

**\* Applicant Name**

Insurance, New York Department of

**\* Length of Proposed Project**

**Application Control No.**

**Federal Share Requested (for each year)**

**\* Federal Share 1st Year**

\$

**\* Federal Share 2nd Year**

\$

**\* Federal Share 3rd Year**

\$

**\* Federal Share 4th Year**

\$

**\* Federal Share 5th Year**

\$

**Non-Federal Share Requested (for each year)**

**\* Non-Federal Share 1st Year**

\$

**\* Non-Federal Share 2nd Year**

\$

**\* Non-Federal Share 3rd Year**

\$

**\* Non-Federal Share 4th Year**

\$

**\* Non-Federal Share 5th Year**

\$

**\* Project Title**

Premium Review Grant: Health Insurance Premium Review Enhancement Project- Cycle 1



# Project Abstract Summary

**\* Project Summary**

[Empty text area for project summary]

**\* Estimated number of people to be served as a result of the award of this grant.**

## Other Attachment File(s)

---

\* Mandatory Other Attachment Filename:

**Add Mandatory Other Attachment**

**Delete Mandatory Other Attachment**

**View Mandatory Other Attachment**

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To add more "Other Attachment" attachments, please use the attachment buttons below.

**Add Optional Other Attachment**

**Delete Optional Other Attachment**

**View Optional Other Attachment**

### ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
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17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p><i>[Handwritten Signature]</i></p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p><i>Director of Administration and Operations</i></p> <p><del>Senior Health Policy Advisor</del></p>
<p>* APPLICANT ORGANIZATION</p> <p>Insurance, New York Department of</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

James J. Wrynn  
Superintendent

Magda Schaler-Haynes  
Senior Health Policy Advisor  
mschaler-haynes@ins.state.ny.us  
(212) 480-7197

July 7, 2010

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington D.C., 20201  
BY ELECTRONIC MAIL:  
Jacqueline.Roche@hhs.gov  
Gladys.Melendez-Bohler@fda.hhs.gov

**Re: Grants to States for Health Insurance Premium Review – Cycle I; CFDA: 93.511**

Dear Secretary Sebelius:

This letter accompanies the New York State Insurance Department's application for \$1,000,000 in Cycle I funding from the Department of Health and Human Services' Grants to States for Health Insurance Premium Review program established under the Patient Protection and Affordable Care Act (PPACA). The New York State Insurance Department is the lead agency in New York with the authority to both oversee and coordinate the activities proposed in the attached grant application.

I note that the grants.gov system is not working properly and therefore we are unable to upload the application per your original instructions. I therefore submit our entire application by email per verbal instructions from both Jacqueline Roche and Gladys Melendez-Bohler.

Eligible entity: New York State Insurance Department  
Title of project: Rate Review Enhancement Project  
Project director: John Powell  
Assistant director: Louis Felice

The NYS Insurance Department is eager to begin enhancement of our rate review capacities as contemplated by this grant application and we look forward to working with you in this process.

Very truly yours,

A handwritten signature in black ink, appearing to read 'MSH'.

Magda Schaler-Haynes

Email Attachments (in order specified on check off list):

- Cover Sheet
- Adobe Forms File: Forms Package CFDA 93.511 from grants.gov (all in one file) including:
  - SF- 424: Application for Federal Assistance
  - SF – 424A: Budget Information
  - SF- 424B: Non Construction Programs (Signed by Karen Cole and attached)
  - SF - LLL: Disclosure of Lobbying Activities (Signed by Karen Cole and attached)
- Letter of Support/ Certification of Maintenance of Effort
- Applicant's Application Cover Letter (this document)
- Project Abstract
- Project Narrative
- Work Plan and Timeline (included in Adobe Forms File)
- Proposed Budget Spreadsheet Including Narrative/ Justifications
- Organizational Chart
- Required Appendix: Project Director/ Assistant Director Job Descriptions
- Optional Appendix: New York's New Prior Approval Law (Legislation)

Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	<b>* If Revision, select appropriate letter(s):</b> _____ <b>* Other (Specify):</b> _____
<b>* 3. Date Received:</b> Completed by Grants.gov upon submission.	<b>4. Applicant Identifier:</b> _____	
<b>5a. Federal Entity Identifier:</b> _____	<b>5b. Federal Award Identifier:</b> _____	
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> _____	<b>7. State Application Identifier:</b> _____	
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> Insurance, New York Department of		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 14-6013200	<b>* c. Organizational DUNS:</b> 1276996550000	
<b>d. Address:</b>		
<b>* Street1:</b> 25 Beaver Street, Third Floor Executive	_____	
<b>Street2:</b>	_____	
<b>* City:</b> New York	_____	
<b>County/Parish:</b>	_____	
<b>* State:</b>	NY: New York	
<b>Province:</b>	_____	
<b>* Country:</b>	USA: UNITED STATES	
<b>* Zip / Postal Code:</b> 10004-2310	_____	
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> New York State Insurance Dept.	<b>Division Name:</b> _____	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> _____	<b>* First Name:</b> Magda	
<b>Middle Name:</b> _____	_____	
<b>* Last Name:</b> Schaler-Haynes	_____	
<b>Suffix:</b> _____	_____	
<b>Title:</b> Senior Health Policy Advisor		
<b>Organizational Affiliation:</b> New York State Insurance Department		
<b>* Telephone Number:</b> 212-480-7197	<b>Fax Number:</b> 212-480-2310	
<b>* Email:</b> mschaler-haynes@ins.state.ny.us		

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

**Type of Applicant 2: Select Applicant Type:**

**Type of Applicant 3: Select Applicant Type:**

**\* Other (specify):**

**\* 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

**11. Catalog of Federal Domestic Assistance Number:**

93.511

**CFDA Title:**

Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

**\* 12. Funding Opportunity Number:**

RFA-FD-10-999

**\* Title:**

"Grants to States for Health Insurance Premium Review-Cycle I" Office of Consumer Information and Insurance Oversight (OCIIO)

**13. Competition Identification Number:**

ADOBE-FORMS-B

**Title:**

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

[Add Attachment](#)

[Delete Attachment](#)

[View Attachment](#)

**\* 15. Descriptive Title of Applicant's Project:**

Premium Review Grant: Health Insurance Premium Review Enhancement Project- Cycle 1

Attach supporting documents as specified in agency instructions.

[Add Attachments](#)

[Delete Attachments](#)

[View Attachments](#)



**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

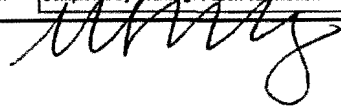
Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

 7/7/10

STATE OF NEW YORK

S. 8088

A.

11369

SENATE - ASSEMBLY

June 7, 2010

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the insurance law, in relation to prior approval of health insurance premium rates

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subsection (e) of section 3231 of the insurance  
law, as  
2 added by chapter 501 of the laws of 1992, subparagraph (B) of  
paragraph  
3 2 as amended by chapter 237 of the laws of 2004, is amended to  
read as  
4 follows:  
5 (e) (1) (A) An insurer desiring to increase or decrease  
premiums  
6 ~~[after April first, nineteen hundred ninety-three]~~ for any  
policy form  
7 subject to this section shall submit a rate filing or  
application to the  
8 superintendent.  
9 An insurer shall send written notice of the proposed rate  
adjustment,

10 including the specific change requested, to each policy  
holder and  
11 certificate holder affected by the adjustment on or before the  
date the  
12 rate filing or application is submitted to the  
superintendent. The  
13 notice shall prominently include mailing and website addresses  
for both  
14 the insurance department and the insurer through which a  
person may,  
15 within thirty days from the date the rate filing or  
application is  
16 submitted to the superintendent, contact the insurance  
department or  
17 insurer to receive additional information or to submit written  
comments  
18 to the insurance department on the rate filing or  
application. The  
19 superintendent shall establish a process to post on the  
department's  
20 website, in a timely manner, all relevant written comments  
received  
21 pertaining to rate filings or applications. The insurer shall  
provide a  
22 copy of the notice to the superintendent with the rate filing  
or appli-  
23 cation. The superintendent shall immediately cause the  
notice to be  
24 posted on the insurance department's website. The  
superintendent shall

EXPLANATION--Matter in italics (underscored) is new; matter in  
brackets

[-] is old law to be omitted.

LBD12267-01-0

S. 8088

2

A. 11369

1 determine whether the filing or application shall become  
effective as  
2 filed, shall become effective as modified, or shall be  
disapproved. The  
3 superintendent may modify or disapprove the rate filing or  
application  
4 if the superintendent finds that the premiums are  
unreasonable, exces-  
5 sive, inadequate, or unfairly discriminatory, and may  
consider the  
6 financial condition of the insurer when approving, modifying  
or disap-  
7 proving any premium adjustment. The determination of the  
superintendent  
8 shall be supported by sound actuarial assumptions and methods,  
and shall  
9 be rendered in writing between thirty and sixty days from the  
date the

10 rate filing or application is submitted to the  
11 superintendent. Should  
12 the superintendent require additional information from the  
13 insurer in  
14 order to make a determination, the superintendent shall  
15 require the  
16 insurer to furnish such information, and in such event, the  
17 sixty days  
18 shall be tolled and shall resume as of the date the insurer  
19 furnishes  
20 the information to the superintendent. If the superintendent  
21 requests  
22 additional information less than ten days from the  
23 expiration of the  
24 sixty days (exclusive of tolling), the superintendent may  
25 extend the  
26 sixty day period an additional twenty days to make a  
27 determination. The  
28 application or rate filing will be deemed approved if a  
29 determination is  
30 not rendered within the time allotted under this section.  
31 An insurer  
32 shall not implement a rate adjustment unless the insurer  
33 provides at  
34 least sixty days advance written notice of the premium rate  
35 adjustment  
36 approved by the superintendent to each policy holder and  
37 certificate  
38 holder affected by the rate adjustment.  
39 (B) The expected minimum loss ratio for a policy form  
40 subject to this  
41 section, for which a rate filing or application is made  
42 pursuant to this  
43 paragraph, other than a medicare supplemental insurance policy,  
44 or, with  
45 the approval of the superintendent, an aggregation of policy  
46 forms that  
47 are combined into one community rating experience pool  
48 and rated  
49 consistent with community rating requirements, shall not be  
50 less than  
51 eighty-two percent. In reviewing a rate filing or  
52 application, the  
53 superintendent may modify the eighty-two percent expected  
54 minimum loss  
55 ratio requirement if the superintendent determines the  
56 modification to  
57 be in the interests of the people of this state or if the  
58 superintendent  
59 determines that a modification is necessary to maintain insurer  
60 solven-  
61 cy. No later than June thirtieth of each year, every insurer  
62 subject to  
63 this subparagraph shall annually report the actual loss  
64 ratio for the  
65 previous calendar year in a format acceptable to the  
66 superintendent. If

39 an expected loss ratio is not met, the superintendent may  
40 direct the  
41 insurer to take corrective action, which may include the  
42 submission of a  
43 rate filing to reduce future premiums, or to issue dividends,  
44 premium  
45 refunds or credits, or any combination of these.

46 (2) (A) ~~[Beginning-October-first, nineteen-hundred-ninety-~~  
47 ~~four]~~ Until  
48 September thirtieth, two thousand ten, as an alternate  
49 procedure to the  
50 requirements of paragraph one of this subsection, an insurer  
51 desiring to  
52 increase or decrease premiums for any policy form  
53 subject to this  
54 section may instead submit a rate filing or application to  
55 the super-  
56 intendent and such application or filing shall be deemed  
57 approved,  
58 provided that: (i) the anticipated minimum loss ratio for a  
59 policy form  
60 shall not be less than ~~[seventy-five]~~ eighty-two percent of  
61 the premi-  
62 um[~~7~~]; and (ii) the insurer submits, as part of such filing, a  
63 certif-  
64 ication by a member of the American Academy of Actuaries or  
65 other indi-

66 vidual acceptable to the superintendent that the insurer  
67 is in  
68 compliance with the provisions of this paragraph, based  
69 upon that  
70 person's examination, including a review of the appropriate  
71 records and  
72 of the actuarial assumptions and methods used by the insurer  
73 in estab-  
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76 lishing premium rates for policy forms subject to this  
77 section. An  
78 insurer shall not utilize the alternate procedure pursuant to  
79 this para-  
80 graph to implement a change in rates to be effective on or  
81 after October  
82 first, two thousand ten.

83 (B) Each calendar year, an insurer shall return, in the form  
84 of agree-  
85 ment benefits for each policy form filed pursuant to the  
86 alternate  
87 procedure set forth in this paragraph at least ~~[seventy-five]~~  
88 eighty-two

89 percent of the aggregate premiums collected for the policy  
90 form during  
91 that calendar year. Insurers shall annually report, no later  
92 than May  
93 first] June thirtieth of each year, the loss ratio calculated  
94 pursuant

11 to this paragraph for each such policy form for the previous  
12 calendar year. In each case where the loss ratio for a policy form  
13 fails to comply with the [~~seventy-five~~] eighty-two percent loss ratio  
14 require- ment, the insurer shall issue a dividend or credit against  
15 future premi- ums for all policy holders with that policy form in an amount  
16 sufficient to assure that the aggregate benefits paid in the previous  
17 calendar year plus the amount of the dividends and credits shall equal  
18 [~~seventy-five~~] eighty-two percent of the aggregate premiums collected for  
19 the policy form in the previous calendar year. The dividend or credit  
20 shall be issued to each policy holder who had a policy which was in  
21 effect at any time during the applicable year. The dividend or credit  
22 shall be prorated based on the direct premiums earned for the  
23 applicable year among all policy holders eligible to receive such dividend or  
24 credit. An insurer shall make a reasonable effort to identify the  
25 current address of, and issue dividends or credits to, former policy holders  
26 entitled to the dividend or credit. An insurer shall, with respect to  
27 dividends or credits to which former policy holders that the insurer is  
28 unable to identify after a reasonable effort would otherwise be entitled,  
29 have the option, as deemed acceptable by the superintendent, of  
30 prospectively adjusting premium rates by the amount of such dividends or  
31 credits,  
32 issuing the amount of such dividends or credits to existing policy hold-  
33 ers, depositing the amount of such dividends or credits in the fund  
34 established pursuant to section four thousand three hundred  
35 twenty-two-a of this chapter, or utilizing any other method which offsets  
36 the amount of such dividends or credits. All dividends and credits  
37 must be distributed by September thirtieth of the year following the  
38 calendar year in which the loss ratio requirements were not satisfied.  
The annual report required by this paragraph shall include an insurer's  
calculation

39 of the dividends and credits, as well as an explanation of the insurer's

40 plan to issue dividends or credits. The instructions and format for

41 calculating and reporting loss ratios and issuing dividends or credits

42 shall be specified by the superintendent by regulation. Such regulations

43 shall include provisions for the distribution of a dividend or credit in

44 the event of cancellation or termination by a policy holder.

45 (3) All policy forms subject to this subsection, other than medicare

46 supplemental insurance policy forms, issued or in effect during calendar

47 year two thousand ten shall be subject to a minimum loss ratio require-

48 ment of eighty-two percent. Insurers may use the alternate filing proce-

49 sure set forth in paragraph two of this subsection to adjust premium

50 rates in order to meet the required minimum loss ratio for calendar year

51 two thousand ten. The rate filing or application shall be submitted no

52 later than September thirtieth, two thousand ten.

53 § 2. Section 4308 of the insurance law, subsection (b) as amended and

54 subsections (d), (e) and (f) as added by chapter 501 of the laws of

55 1992, paragraph 3 of subsection (c) as amended by chapter 520 of the

56 laws of 1999, subsections (g), (h), (i) and (j) as added by chapter 504

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1 of the laws of 1995 and paragraph 2 of subsection (h) as amended by

2 chapter 237 of the laws of 2009, is amended to read as follows:

3 § 4308. Supervision of superintendent [~~public~~ **hearings**]. (a) No

4 corporation subject to the provisions of this article shall enter into

5 any contract unless and until it shall have filed with the superintendent

6 a copy of the contract or certificate and of all applications,

7 riders and endorsements for use in connection with the issuance or

8 renewal thereof, to be formally approved by him as conforming to the

9 applicable provisions of this article and not inconsistent with any

10 other provision of law applicable thereto. The superintendent shall,

11 within a reasonable time after the filing of any such form,  
notify the

12 corporation filing the same either of his approval or of his  
disapproval

13 of such form.

14 (b) No corporation subject to the provisions of this  
article shall

15 enter into any contract unless and until it shall have filed  
with the

16 superintendent a schedule of the premiums or, if  
appropriate, rating

17 formula from which premiums are determined, to be paid  
under the

18 contracts and shall have obtained the superintendent's approval  
thereof.

19 The superintendent may refuse such approval if he finds that  
such premi-

20 ums, or the premiums derived from the rating formula, are  
excessive,

21 inadequate or unfairly discriminatory, provided, however,  
the super-

22 intendent may also consider the financial condition of such  
corporation

23 in approving or disapproving any premium or rating formula.

Any adjust-

24 ments to an approved schedule of premiums or to the  
approved rating

25 formula for non-community rated contracts shall also be subject  
to the

26 approval of the superintendent provided, however, such  
adjustments shall

27 not be subject to the requirements of subsection (c) of this  
section.

28 Any premium or formula approved by the superintendent  
shall make

29 provision for such increase as may be necessary to meet the  
requirements

30 of a plan approved by the superintendent in the manner  
prescribed in

31 section four thousand three hundred ten of this article for  
restoration

32 of the statutory reserve fund required by such section.  
Notwithstanding

33 any other provision of law, the superintendent, as part of  
the rate

34 increase approval process, may defer, reduce or reject a rate  
increase

35 if, in the judgment of the superintendent, the salary  
increases for

36 senior level management executives employed at corporations  
subject to

37 the provisions of this article are excessive or unwarranted  
given the

38 financial condition or overall performance of such  
corporation. The

39 superintendent is authorized to promulgate rules and  
regulations which



40 the superintendent deems necessary to carry out such deferral,  
reduction

41 or rejection.

42 (c) (1) ~~[Except for an application pursuant to  
subsection (f) of~~

43 ~~section four thousand three hundred four of this article,~~  
no] An

44 increase or decrease in premiums with respect to ~~[individual]~~  
community

45 rated contracts ~~[issued pursuant to the provisions of such  
section]~~

46 shall not be approved by the superintendent unless it is in  
compliance

47 with the provisions of this subsection as well as other  
applicable

48 provisions of law.

49 (2) ~~[Prior to any such filing or application by or on  
behalf of a~~

50 ~~corporation for an increase or decrease in premiums for such  
contracts,~~

51 ~~such corporation, when directed by the superintendent, shall  
conduct a~~

52 ~~public hearing with respect to the terms of such filing or  
application.~~

53 ~~Notice of such hearing shall be published on three successive  
days in at~~

54 ~~least two newspapers having general circulation within the  
territory or~~

55 ~~district wherein such corporation seeking approval of the  
filing is~~

56 ~~authorized to do business. The date specified for the hearing  
shall be~~

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1 ~~not less than ten nor more than thirty days from the date of  
the first~~

2 ~~publication of the hearing. The notice of hearing shall  
state the~~

3 ~~purpose thereof, the time when and the place where the public  
hearing~~

4 ~~will be held. The public hearing shall be held at a time and  
location~~

5 ~~deemed by the superintendent to be most convenient to the  
greatest~~

6 ~~number of persons affected by such filing. At such hearing  
any person~~

7 ~~may be heard in favor of, or against, the terms of the filing  
or appli-~~

8 ~~cation.~~

9 ~~(3) Following the public hearing held pursuant to  
paragraph two of~~

10 ~~this subsection, a transcript of the testimony therein shall be  
submit-~~

11 ~~ted together with a rate filing or application, to the  
superintendent.~~

12 Upon receipt of such filing or application by or on behalf of  
a corpo-  
13 ration, the superintendent shall order that a public  
hearing be held  
14 with respect to the terms of such filing or application. Notice  
of such  
15 hearing shall be published on three successive days in at  
least two  
16 newspapers having general circulation within the territory or  
district  
17 wherein such corporation seeking approval of the filing or  
application  
18 is authorized to do business. For a corporation writing more  
than three  
19 billion dollars in premiums as of December thirty-first,  
nineteen  
20 hundred ninety-six and whose service territory is greater than  
ten coun-  
21 ties, such notice is to be published in at least one  
newspaper having  
22 general circulation in each county where persons in the service  
territo-  
23 ry are affected by the proposed change. The date specified for  
the hear-  
24 ing shall be not less than ten nor more than thirty days from  
the date  
25 of the last publication of the hearing. The notice of hearing  
shall also  
26 state the purpose thereof, the time when and the place where  
the public  
27 hearing will be held. For those corporations writing more  
than three  
28 billion dollars in premiums as of December thirty-first,  
nineteen  
29 hundred ninety-six, and whose territory is greater than ten  
counties,  
30 the notice of hearing shall also state the changes  
proposed, the  
31 contracts to be affected and the time when such changes  
would take  
32 effect. The notice of hearing shall state, in prominent  
display, a toll-  
33 free telephone number of the insurance department that may be  
contacted  
34 to receive additional information on the subject rate  
application. The  
35 public hearing shall be held at a time and location deemed by  
the super-  
36 intendent to be most convenient to the greatest number of  
persons  
37 affected by such filing or application. A copy of such notice  
of hearing  
38 shall be forwarded by the superintendent by registered or  
certified mail  
39 to the principal address of the corporation seeking  
approval of such

40 ~~filing or application. The hearing may be continued or~~  
~~adjourned from~~  
41 ~~day to day within the discretion of the superintendent. At~~  
~~such hearing~~  
42 ~~any person may be heard in favor of, or against, the terms of~~  
~~the filing~~  
43 ~~or application. After conclusion of the public hearing the~~  
~~superinten-~~  
44 ~~dent shall render a written decision determining whether the~~  
~~filing or~~  
45 ~~application shall become effective as filed, shall become~~  
~~effective as~~  
46 ~~modified, or shall be disapproved. If, subsequent to the~~  
~~hearing, but~~  
47 ~~prior to the issuing of the superintendent's written decision~~  
~~on a rate~~  
48 ~~increase request, the corporation increases its requested rate~~  
~~for any~~  
49 ~~contract by two percent or more, a re-hearing shall be held.~~  
~~The time,~~  
50 ~~location, and notice requirements for such re-hearing shall~~  
~~be deter-~~  
51 ~~mined by the superintendent.~~

52 (4)] A corporation desiring to increase or decrease  
premiums for any  
53 contract subject to this subsection shall submit a rate filing  
or appli-  
54 cation to the superintendent. A corporation shall send  
written notice  
55 of the proposed rate adjustment, including the  
specific change  
56 requested, to each contract holder and subscriber affected  
by the

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1 adjustment on or before the date the rate filing or  
application is  
2 submitted to the superintendent. The notice shall prominently  
include  
3 mailing and website addresses for both the insurance  
department and the  
4 corporation through which a person may, within thirty days from  
the date  
5 the rate filing or application is submitted to the  
superintendent,  
6 contact the insurance department or corporation to receive  
additional  
7 information or to submit written comments to the insurance  
department on  
8 the rate filing or application. The superintendent shall  
establish a  
9 process to post on the department's website, in a timely  
manner, all  
10 relevant written comments received pertaining to rate filings  
or appli-

11 cations. The corporation shall provide a copy of the notice  
12 to the superintendent with the rate filing or application. The  
13 superintendent shall immediately cause the notice to be posted on the  
14 insurance department's website. The superintendent shall determine whether  
15 the filing or application shall become effective as filed, shall become  
16 effective as modified, or shall be disapproved. The superintendent may  
17 modify or disapprove the rate filing or application if the  
18 superintendent finds that the premiums are unreasonable, excessive, inadequate, or  
19 unfairly discriminatory, and may consider the financial condition of  
20 the corporation in approving, modifying or disapproving any premium  
21 adjustment. The determination of the superintendent shall be supported  
22 by sound actuarial assumptions and methods, and shall be rendered in  
23 writing between thirty and sixty days from the date the rate filing or  
24 application is submitted to the superintendent. Should the  
25 superintendent require additional information from the corporation in order  
26 to make a determination, the superintendent shall require the  
27 corporation to furnish such information, and in such event, the sixty days  
28 shall be tolled and shall resume as of the date the corporation  
29 furnishes the information to the superintendent. If the superintendent  
30 requests additional information less than ten days from the expiration of  
31 the sixty days (exclusive of tolling), the superintendent may extend the  
32 sixty day period an additional twenty days, to make a determination. The  
33 application or rate filing will be deemed approved if a  
34 determination is not rendered within the time allotted under this section. A  
35 corporation shall not implement a rate adjustment unless the corporation  
36 provides at least sixty days advance written notice of the premium rate  
37 adjustment approved by the superintendent to each contract holder and  
38 subscriber affected by the rate adjustment.  
39 (3) (A) The expected minimum loss ratio for a contract form  
subject to

40 this subsection for which a rate filing or application is made  
pursuant  
41 to this paragraph, other than a medicare supplemental  
insurance  
42 contract, or, with the approval of the superintendent, an  
aggregation of  
43 contract forms that are combined into one community rating  
experience  
44 pool and rated consistent with community rating requirements,  
shall not  
45 be less than eighty-two percent. In reviewing a rate filing or  
applica-  
46 tion, the superintendent may modify the eighty-two percent  
expected  
47 minimum loss ratio requirement if the superintendent  
determines the  
48 modification to be in the interests of the people of this  
state or if  
49 the superintendent determines that a modification is necessary  
to main-  
50 tain insurer solvency. No later than June thirtieth of each  
year, every  
51 corporation subject to this subparagraph shall annually report  
the actu-  
52 al loss ratio for the previous calendar year in a format  
acceptable to  
53 the superintendent. If an expected loss ratio is not met,  
the super-  
54 intendent may direct the corporation to take corrective  
action, which  
55 may include the submission of a rate filing to reduce future  
premiums,

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1 or to issue dividends, premium refunds or credits, or any  
combination of  
2 these.  
3 (B) The expected minimum loss ratio for a medicare  
supplemental insur-  
4 ance contract form shall not be less than eighty percent. No  
later than  
5 May first of each year, every corporation subject to this  
subparagraph  
6 shall annually report the actual loss ratio for each  
contract form  
7 subject to this section for the previous calendar year in  
a format  
8 acceptable to the superintendent. In each case where the loss  
ratio for  
9 the contract form fails to comply with the eighty percent  
loss ratio  
10 requirement, the corporation shall submit a corrective  
action plan to  
11 the superintendent for assuring compliance with the applicable  
minimum

12 loss ratio standard. The corrective action plan shall be  
13 submitted to  
14 the superintendent within sixty days of the corporation's  
15 submission of  
16 the annual report required by this subparagraph. The  
17 corporation's plan  
18 may utilize premium refunds or credits, subject to the approval  
19 of the  
20 superintendent.

21 (4) In case of conflict between this subsection and  
any other  
22 provision of law, this subsection shall prevail.

23 (d) The superintendent shall order an independent  
management and  
24 financial audit of corporations subject to the provisions of  
this arti-  
25 cle with a combined premium volume exceeding two billion  
dollars annual-  
26 ly in order to develop a detailed understanding of such  
corporation's  
27 financial status and to determine the viability of such  
corporation's  
28 products. Such audit shall be performed by an  
organization upon  
29 submission of a program plan in response to a request for  
proposal

30 approved by the superintendent in consultation with the  
commissioner of  
31 health and the state comptroller. Such audit shall not be  
performed by  
32 any organization that has in any way performed or furnished  
services of  
33 any kind to the corporation within the past five years,  
unless it is  
34 adequately demonstrated that such services would not  
compromise that

35 organization's performance and objectivity. The audit shall be  
completed  
36 and a report submitted by May first, nineteen hundred  
ninety-three to

37 the superintendent, the commissioner of health, and the chairs  
of the  
38 senate and assembly committees on health and insurance. The  
scope of the

39 audit shall include, but not be limited to, financial and  
competitive

40 position, corporate structure and governance, organization and  
manage-

41 ment, strategic direction, rate adequacy, and the regulatory  
and compet-

42 itive environment in the state of New York. Specifically,  
the audit

43 shall include, but not be limited to:  
44 (i) determining the corporation's financial and market  
position,

45 including its reserves, trends in membership, market share,  
and profit-

42 ability by market segment;  
43 (ii) evaluating the corporation's product offerings with  
respect to  
44 market requirements and trends, the corporation's responses  
to the New  
45 York health care market, and its management of medical claims  
costs;  
46 (iii) assessing the effectiveness of the organizational and  
management  
47 structure and performance, including, but not limited to,  
possible  
48 improvement in the size, structure, composition and  
operation of the  
49 board of directors, productivity improvement, information  
systems,  
50 management development, personnel practices, mix and level  
of skills,  
51 personnel turnover, investment practices and rate of return  
upon invest-  
52 ment activities;  
53 (iv) analyzing the corporation's strategic directions, its  
adequacy to  
54 meet competitive, market, and existing regulatory trends,  
including an  
55 evaluation of the use of brokers in marketing products, and  
the impact  
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1 of those strategies on the corporation's future financial  
performance  
2 and on the health care system of New York;  
3 (v) evaluating the adequacy of rates for existing  
products, partic-  
4 ularly (but not limited to) small group, medicare  
supplemental, and  
5 direct payment to identify areas that may need immediate  
remedial atten-  
6 tion;  
7 (vi) identifying any changes to the regulatory and  
legislative envi-  
8 ronment that may need to be made to ensure that the  
corporation can  
9 continue to be financially viable and competitive;  
10 (vii) identifying and assessing specific transactions  
such as the  
11 procurement of reinsurance, sale of real property and the sale  
of future  
12 investment income to improve the financial condition of the  
corporation;  
13 and  
14 (viii) evaluating and identifying possible improvements in  
the corpo-  
15 ration's managed care strategies, operations and claims  
handling.  
16 (e) Notwithstanding any other provision of law, the  
superintendent

17 shall have the power to require independent management and  
financial  
18 audits of corporations subject to the provisions of this  
article whenever  
19 or in the judgment of the superintendent, losses sustained by  
a corpo-  
20 ration jeopardize its ability to provide meaningful coverage at  
afforda-  
21 ble rates or when such audit would be necessary to protect the  
interests  
22 of subscribers. The audit shall include, but not be limited  
to, an  
23 investigation of the corporation's provision of benefits to  
senior citi-  
24 zens, individual and family, and small group and small  
business  
25 subscribers in relation to the needs of those subscribers.  
The audit  
26 shall also include an evaluation of the efficiency of the  
corporation's  
27 management, particularly with respect to lines of business  
which are  
28 experiencing losses. In every case in which the  
superintendent chooses  
29 to require an audit provided for in this subsection, the  
superintendent  
30 shall have the authority to select the auditor. Any costs  
incurred as a  
31 result of the operation of this subsection shall be assessed  
on all  
32 domestic insurers in the same manner as provided for in  
section three  
33 hundred thirty-two of this chapter.

34 (f) The results of any audit conducted pursuant to  
subsections (d) and  
35 (e) of this section shall be provided to the corporation and  
each member  
36 of its board of directors. The superintendent shall have the  
authority  
37 to direct the corporation in writing to implement any  
recommendations  
38 resulting from the audit that the superintendent finds to be  
necessary  
39 and reasonable; provided, however, that the superintendent  
shall first  
40 consider any written response submitted by the corporation or  
the board  
41 of directors prior to making such finding. Upon any  
application for a  
42 rate adjustment by the corporation, the superintendent shall  
review the  
43 corporation's compliance with the directions and  
recommendations made  
44 previously by the superintendent, as a result of the most  
recently  
45 completed management or financial audit and shall include such  
findings



46 in any written decision concerning such application.  
47 (g)(1) [~~Beginning January first, nineteen hundred ninety-~~  
48 ~~six~~] Until  
49 September thirtieth, two thousand ten, as an alternate  
procedure to the  
50 requirements of subsection (c) of this section, a corporation  
subject to  
51 the provisions of this article desiring to increase or decrease  
premiums  
52 for any contract subject to this section may instead submit  
a rate  
53 filing or application to the superintendent and such  
application or  
54 filing shall be deemed approved, provided that (A) the  
anticipated  
55 incurred loss ratio for a contract form shall not be less than  
[~~eighty-~~  
56 ~~five~~] eighty-two percent for individual direct payment  
contracts or  
57 [~~seventy-five~~] eighty-two percent for small group and small  
group remit-  
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1 tance contracts, nor, except in the case of individual  
direct payment  
2 contracts with a loss ratio of greater than one hundred five  
percent  
3 during nineteen hundred ninety-four, shall the loss ratio for  
any direct  
4 payment, group or group remittance contract be more than  
one hundred  
5 five percent of the anticipated earned premium, and (B) the  
corporation  
6 submits, as part of such filing, a certification by a  
member of the  
7 American Academy of Actuaries or other individual acceptable  
to the  
8 superintendent that that corporation is in compliance  
with the  
9 provisions of this subsection, based upon that person's  
examination,  
10 including a review of the appropriate records and of the  
actuarial  
11 assumptions and methods used by the corporation in establishing  
premium.  
12 rates for contracts subject to this section. A corporation  
shall not  
13 utilize the alternate procedure pursuant to this subsection to  
implement  
14 a change in rates to be effective on or after October first,  
two thou-  
15 sand ten. For purposes of this section, a small group is any  
group whose  
16 contract is subject to the requirements of section forty-  
three hundred  
17 seventeen of this article.

18 (2) Prior to January first, two thousand, no rate increase or  
decrease

19 may be deemed approved under this subsection if that  
increase or

20 decrease, together with any other rate increases or decreases  
imposed on

21 the same contract form, would cause the aggregate rate  
increase or

22 decrease for that contract form to exceed ten percent during  
any contin-

23 uous twelve month period. No rate increase may be imposed  
pursuant to

24 this subsection unless at least thirty days advance written  
notice of

25 such increase has been provided to each contract holder and  
subscriber.

26 (h)(1) Each calendar year, a corporation subject to the  
provisions of

27 this article shall return, in the form of aggregate benefits  
incurred

28 for each contract form filed pursuant to the alternate  
procedure set

29 forth in subsection (g) of this section, at least [~~eighty-~~  
~~five~~] eighty-

30 two percent for individual direct payment contracts or  
[~~seventy-five~~]

31 eighty-two percent for small group and small group remittance  
contracts,

32 but, except in the case of individual direct payment  
contracts with a

33 loss ratio of greater than one hundred five percent in nineteen  
hundred

34 ninety-four, for any direct payment, group or group remittance  
contract,

35 not in excess of one hundred five percent of the aggregate  
premiums

36 earned for the contract form during that calendar year.  
Corporations

37 subject to the provisions of this article shall annually  
report, no

38 later than [~~May-first~~] June thirtieth of each year, the  
loss ratio

39 calculated pursuant to this subsection for each such contract  
form for

40 the previous calendar year.

41 (2) In each case where the loss ratio for a contract form  
fails to

42 comply with the [~~eighty-five~~] eighty-two percent minimum  
loss ratio

43 requirement for individual direct payment contracts, or the  
[~~seventy-~~

44 ~~five~~] eighty-two percent minimum loss ratio requirement for  
small group

45 and small group remittance contracts, as set forth in paragraph  
one of

46 this subsection, the corporation shall issue a dividend  
or credit

47 against future premiums for all contract holders with that  
contract form  
48 in an amount sufficient to assure that the aggregate benefits  
incurred  
49 in the previous calendar year plus the amount of the dividends  
and cred-  
50 its shall equal no less than [~~eighty-five~~] eighty-two percent  
for indi-  
51 vidual direct payment contracts, or [~~seventy-five~~] eighty-two  
percent  
52 for small group and small group remittance contracts, of the  
aggregate  
53 premiums earned for the contract form in the previous calendar  
year. The  
54 dividend or credit shall be issued to each contract holder or  
subscriber  
55 who had a contract that was in effect at any time during the  
applicable  
56 year. The dividend or credit shall be prorated based on  
the direct

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1 premiums earned for the applicable year among all contract  
holders or  
2 subscribers eligible to receive such dividend or credit. A  
corporation  
3 shall make a reasonable effort to identify the current address  
of, and  
4 issue dividends or credits to, former contract holders or  
subscribers  
5 entitled to the dividend or credit. A corporation shall, with  
respect to  
6 dividends or credits to which former contract holders that  
the corpo-  
7 ration is unable to identify after a reasonable effort would  
otherwise  
8 be entitled, have the option, as deemed acceptable by the  
superinten-  
9 dent, of prospectively adjusting premium rates by the  
amount of such  
10 dividends or credits, issuing the amount of such dividends or  
credits to  
11 existing contract holders, depositing the amount of such  
dividends or  
12 credits in the fund established pursuant to section four  
thousand three  
13 hundred twenty-two-a of this article, or utilizing any  
other method  
14 which offsets the amount of such dividends or credits. All  
dividends and  
15 credits must be distributed by September thirtieth of the year  
following  
16 the calendar year in which the loss ratio requirements were  
not satis-  
17 fied. The annual report required by paragraph one of this  
subsection

18 shall include a corporation's calculation of the dividends and credits,

19 as well as an explanation of the corporation's plan to issue dividends

20 or credits. The instructions and format for calculating and reporting

21 loss ratios and issuing dividends or credits shall be specified by the

22 superintendent by regulation. Such regulations shall include provisions

23 for the distribution of a dividend or credit in the event of cancella-

24 tion or termination by a contract holder or subscriber.

25 (3) In each case where the loss ratio for a contract form fails to

26 comply with the one hundred five percent maximum loss ratio requirement

27 of paragraph one of this subsection, the corporation shall institute a

28 premium rate increase in an amount sufficient to assure that the aggre-

29 gate benefits incurred in the previous calendar year shall equal no more

30 than one hundred five percent of the sum of the aggregate premiums

31 earned for the contract form in the previous calendar year and the

32 aggregate premium rate increase. The rate increase shall be applied to

33 each contract that was in effect as of December thirty-first of the

34 applicable year and remains in effect as of the date the rate increase

35 is imposed. All rate increases must be imposed by September thirtieth of

36 the year following the calendar year in which the loss ratio require-

37 ments were not satisfied. The annual report required by paragraph one of

38 this subsection shall include a corporation's calculation of the premium

39 rate increase, as well as an explanation of the corporation's plan to

40 implement the rate increase. The instructions and format for calculating

41 and reporting loss ratios and implementing rate increases shall be spec-

42 ified by the superintendent by regulation.

43 (i) The alternate procedure described in subsections (g) and (h) of

44 this section shall apply to individual direct payment contracts issued

45 pursuant to sections four thousand three hundred twenty-one and four

46 thousand three hundred twenty-two of this article on and after January

47 first, nineteen hundred ninety-seven. Such alternate procedure shall not

48 be utilized to implement a change in rates to be effective on or after

49 October first, two thousand ten.

50 ~~(j) [The eighty-five percent minimum loss ratio for individual direct~~

51 ~~payment contracts described in subsections (g) and (h) of this section~~

52 ~~shall be reduced to eighty-two and one-half percent as of January first,~~

53 ~~nineteen hundred ninety-seven and shall be further reduced to eighty~~

54 ~~percent as of January first, nineteen hundred ninety-eight and thereafter-~~

55 ~~er. The refund or credit requirements for failure to meet minimum loss~~

56 ~~ratios will continue, but at these reduced percentages.] All community~~

S. 8088

11

A. 11369

1 rated contracts, other than medicare supplemental insurance contracts,

2 issued or in effect during calendar year two thousand ten shall be

3 subject to a minimum loss ratio requirement of eighty-two percent.

4 Corporations may use the alternate procedure set forth in subsection (g)

5 of this section to adjust premium rates in order to meet the required

6 minimum loss ratio for calendar year two thousand ten. The rate filing

7 or application shall be submitted no later than September thirtieth, two

8 thousand ten.

9 § 3. If any clause, sentence, paragraph, section or part of this act

10 shall be adjudged by any court of competent jurisdiction to be invalid,

11 the judgment shall not affect, impair or invalidate the remainder there-

12 of, but shall be confined in its operation to the clause, sentence,

13 paragraph, section or part thereof directly involved in the controversy

14 in which such judgment shall have been rendered.

15 § 4. This act shall take effect immediately.

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STATE OF NEW YORK  
**EXECUTIVE CHAMBER**  
ALBANY 12224

**DAVID A. PATERSON**  
GOVERNOR

July 7, 2010

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington D.C., 20201

**Re: Grants to States for Health Insurance Premium Review – Cycle I; CFDA: 93.511**

Dear Secretary Sebelius:

I write to offer my support of the activities including rate review enhancement initiatives outlined in the above-referenced grant application submitted today by the New York State Insurance Department. In addition, I certify that, if awarded these grant funds, New York will maintain its rate review efforts as indicated in the grant application and that the grant funds will not supplant existing state expenditures. Indeed, as you recently noted, New York has reinstated prior approval authority and pledged additional state resources thereto.

New York is proud to support the recent historic federal health reforms and to partner with you during this implementation period. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "David A. Paterson".

David A. Paterson

New York State Insurance Department Application Budget for Rate Review Functions: CFDA 93.511 7/7/2010									
Table of Contents for Budget Description Categories Below									
A. Existing Rate Review Staff and Functions as of June 30, 2010 - State funded									
B. NY's New Prior Approval Rate Review Law Budget. State funds already appropriated									
C1. Rate Review Cycle I Grant Budget. Health Activities Component. Requesting federal funds									
C2. Rate Review Cycle I Grant Budget. IT Activities Component. Requesting federal funds									
A. Existing Rate Review Staff and Functions as of June 30, 2010	Annual Salary	Annual Fringe/DC	Allocated Overhead	Total	% Devoted to Rate Review	\$ Devoted to Rate Review	Qualifications	All activities including rating review activities: Narrative description	Timeline for Rating Activities
4 Supervising Actuaries - Albany	458,045	238,592	105,031	800,668	75.00%	600,501	2 are Members of the Americal Academy of Actuaries (MAAA) 2 are Fellows of the Society of Actuaries (FSA) and 2 are Associates (ASA)	Conduct reviews of prior approval rate filings for (a) new policy forms and riders, (b) contract language changes to existing forms and riders, and (c) changes to existing rate tables for non-medical products (e.g. disability, long term care, dental). They review and approve large group experience rating formulas for commercial carriers. The unit also conduct analysis in response to budget requests and proposed legislation	Existing Activity that will be ongoing
1 Assistant Actuary - Albany	46,861	24,152	21,006	92,019	75.00%	69,014	BA Mathematics or similar - 1 year experience w/ Dept		
Subtotal - Albany	505,906	260,744	126,037	892,687		669,515			
1 Chief Actuary - NYC	138,358	71,310	21,006	230,674	10.00%	23,067	Member AAA - FSA	conformity with the limited filing requirements, analyze the reserves of the various health insurance companies supervised by the Department, prepare data extracts and analyses from the various statistical material submitted to the Department (example, from the annual statements and other supplemental filing material). This unit summarizes the rate increases received on the file and use rate submissions, and posts on the Department's website the rates from the various rate filings for the two individual products that each HMO is mandated to offer. They also review and approve Large group experience rating formulas for combine HMO	Existing file and use activity will be phased out by 12/31/11 and replaced by MLR Review under Federal Standards. Remaining activities will be folded into ongoing rate review and analysis process.
1 Principal Actuary - NYC	98,876	50,961	21,006	170,843	50.00%	85,421	4 Actuarial Exams Passed - 10 years experience w/ Dept		
2 Assistant Actuaries - NYC	85,528	44,061	42,012	184,039	50.00%	92,019	BA Mathematics or similar - 1 year experience w/Dept		
1 Asst Chief Actuary - NYC	\$124,576	64,206	21,006	209,788	20.00%	41,958	MAAA + FSA	under prior approval), changes to retirement plans of certain health insurance companies, all matters relating to continuing care retirement communities, and certain other data submitted to the Department by the companies.	Existing Activity that will be ongoing
1 Principal Actuary - NYC	\$105,829	54,544	21,006	181,379	70.00%	128,966	4 Actuarial Exams Passed - 10 years experience w/ Dept		
Subtotal - NYC	553,167	285,102	126,037	976,723		369,431			
Total Current Rate Review Function	1,059,073	545,846	252,074	1,869,410		\$1,038,947			
<b>B. NY's New Prior Approval Rate Review Law Budget -</b>									
Chief Insur Exmr 3, M-5	114,472	58,999	21,006	194,478	40.00%	77,791	Certified Financial Examiner (CFE) + 2 Years as a Unit Supervisor or equivalent industry experience	All activities including rating review activities: Narrative description	Timeline for Rating Activities
Prin Insur Exmr, SG-28	100,874	51,990	21,006	173,871	50.00%	86,935	CFE + 2 years experience as an Associate Examiner	This new unit will conduct detail reviews of rate submissions by insurers, HMOs and no-for-profit health plans for community rated and guarantee issue individual, small group and HMO large group business. Actuarial staff will develop and maintain checklists for required information to be included with the rate filing, and evaluate pooling, credibility, experience and trend data included in the application and either approve, modify or reject the proposed rates. The financial examiners will review notices to policyholders for accuracy and review historical and projected financial data and results for solvency purposes and reasonableness.	These positions will be requested via the budget process by July 1, 2010, and are expected to be in place by 10/1/10. The rate adjustment application process will begin for rates going into effect on 1/1/11 and will be ongoing thereafter.
Assoc Insur Exmr, SG-27	91,338	47,076	21,006	159,421	75.00%	119,566	BA + 24 Credits in Accounting and 2 years Experience as a Senior Examiner		
Senr Insur Exmr, SG-23	75,185	38,740	21,006	134,910	50.00%	67,455	BA + 24 Credits in Accounting & 2 years Experience as a Insurance Examiner		
Supvg Actuary Life, M-4	103,029	53,101	21,006	177,136	90.00%	159,422	FSA + 10 years Health Insurance Experience		
Senr Actuary Life, SG-19 (1)	61,341	31,615	21,006	113,962	90.00%	102,566	2 Actuarial Exams + 2 years experience		
Senr Actuary Life, SG-19 (2)	61,341	31,615	21,006	113,962	90.00%	102,566	2 Actuarial Exams + 2 years experience		
Asst Actuary, SG-14 (1)	46,861	24,152	21,006	92,019	90.00%	82,817	BA Mathematics or similar		
Asst Actuary, SG-14 (2)	46,861	24,152	21,006	92,019	90.00%	82,817	BA Mathematics or similar		
KBS-1 SG-6	31,031	15,993	21,006	68,030	75.00%	51,022	Clerical support		
Total NY New Prior Approval L.	732,312	377,434	210,062	1,319,807		\$932,958			

C1. Rate Review Cycle I Grant Budget: Health Activities												
	Annual Salary	Annual Fringe/DC	Actual Overhead*	Total			Qualifications	All activities including rating review activities: Narrative description	Timeline for Rating Activities			
Principal Actuary SG-28 (1)	96,008	49,482	26,810	172,300	100.00%	172,300	MAAA & ASA + 5 years Health Insurance Experience	This additional staff will be added to the prior approval unit in Grant cycle 1. One more actuary and one more financial examiner will be added in Grant Cycle 2. The actuarial staff will modify the checklists and the actuarial memorandum requirements, as well as, establish a standardized application format, and adopt more robust review of large group experience rate changes, including how to adapt experience rating formulae to the new Federal MLR threshold. They will also conduct training for the exiting lower level actuaries. The financial examiner will develop specs for more detailed market segment reporting of financial data from the NY Supplements and implement associated review procedures for insurers and HMOs. The examiner and Actuaries will conduct office based and field-based targeted review of data integrity and accuracy which will increase in Grant Cycle 2. The actuaries and financial examiners will work with the Department's Systems Bureau (IT) to develop our ability to accept electronic submission of data and to meet HHS reporting and disclosure requirements.	These positions are expected to be in place by 10/1/10. Expanded financial data mining from existing sources will begin for year and 2010 data and revisions to NY supplements will begin with the March 2011 quarterly statements. A revised check list and supporting application template will be finalized by December 31, 2010 and posted on the Department's website by July 1, 2011 for use with renewal rate filings to be effective about January 2012 and later. It is expected that data will be filed either via SERFF or directly via the Department's portal no later than 2012. The actuaries and financial examiners will work with our Systems Bureau to develop the business requirements.			
Principal Actuary SG-28 (2)	96,008	49,482	26,810	172,300	100.00%	172,300	MAAA & ASA + 5 years Health Insurance Experience					
Senr Insur Exmr SG-23	75,165	38,740	17,560	131,464	100.00%	131,464	BA 24 Credits in Accounting + 3 years experience					
<b>Total Health Activities ("C1") Budget for Rate Review</b>	<b>267,180</b>	<b>137,704</b>	<b>71,180</b>	<b>\$476,064</b>		<b>\$476,064</b>						
<i>*Overhead components in C1 above (detailed breakdown)</i>												
	Equipment	Supplies	Travel cost	Office Space and Furniture	Training	Allocated Cost						
Principal Actuary SG-28 (1)	2460	350	4000	9250	750	10000	26810					
Principal Actuary SG-28 (2)	2460	350	4000	9250	750	10000	26810					
Senr Insur Exmr SG-23	2460	350	4000	0	750	10000	17560					
<b>Total overhead components in C1</b>	<b>7380</b>	<b>1050</b>	<b>12000</b>	<b>18500</b>	<b>2250</b>	<b>30000</b>	<b>71180</b>					
<b>C2. Rate Review Cycle I Grant Budget: IT Activities</b>												
Hardware				50,000	100%	50,000						
Fair Health				49,500	100%	49,500						
NAIC Assessment				18,808	100%	18,808						
External Contractor(s)				405,628	100%	405,628		Additional data fields added to SERFF for import. Develop outward facing web based application for the public to enter search criteria to access information related to rate increases. Develop a web based portal application for insurers to submit rate filing information directly to the Department. Perform required enhancements to Docupace to accommodate additional required fields, create new reports per specifications, modify existing reports as needed.	Work will begin as soon as procurement approval is complete			
<b>Total IT Activities Budget ("C2") for Rate Review Grant:</b>				<b>\$523,936</b>	<b>100%</b>	<b>\$523,936</b>						
<b>Rate Review Grant Budget Grand Total (Health ("C1")+ IT ("C2") Activities):</b>				<b>\$1,000,000</b>		<b>\$1,000,000</b>						
<i>* IT Components in C2 above (detailed breakdown by phase)</i>												
IT Phase I (including Hardware, NAIC)				\$168,808								
IT Phase II				\$152,814								
IT Phase III				\$152,814								
<b>Total IT Activities Detailed Budget (except Fair Health) for Rate Review Cycle I Grant:</b>				<b>\$ 474,436</b>								



# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

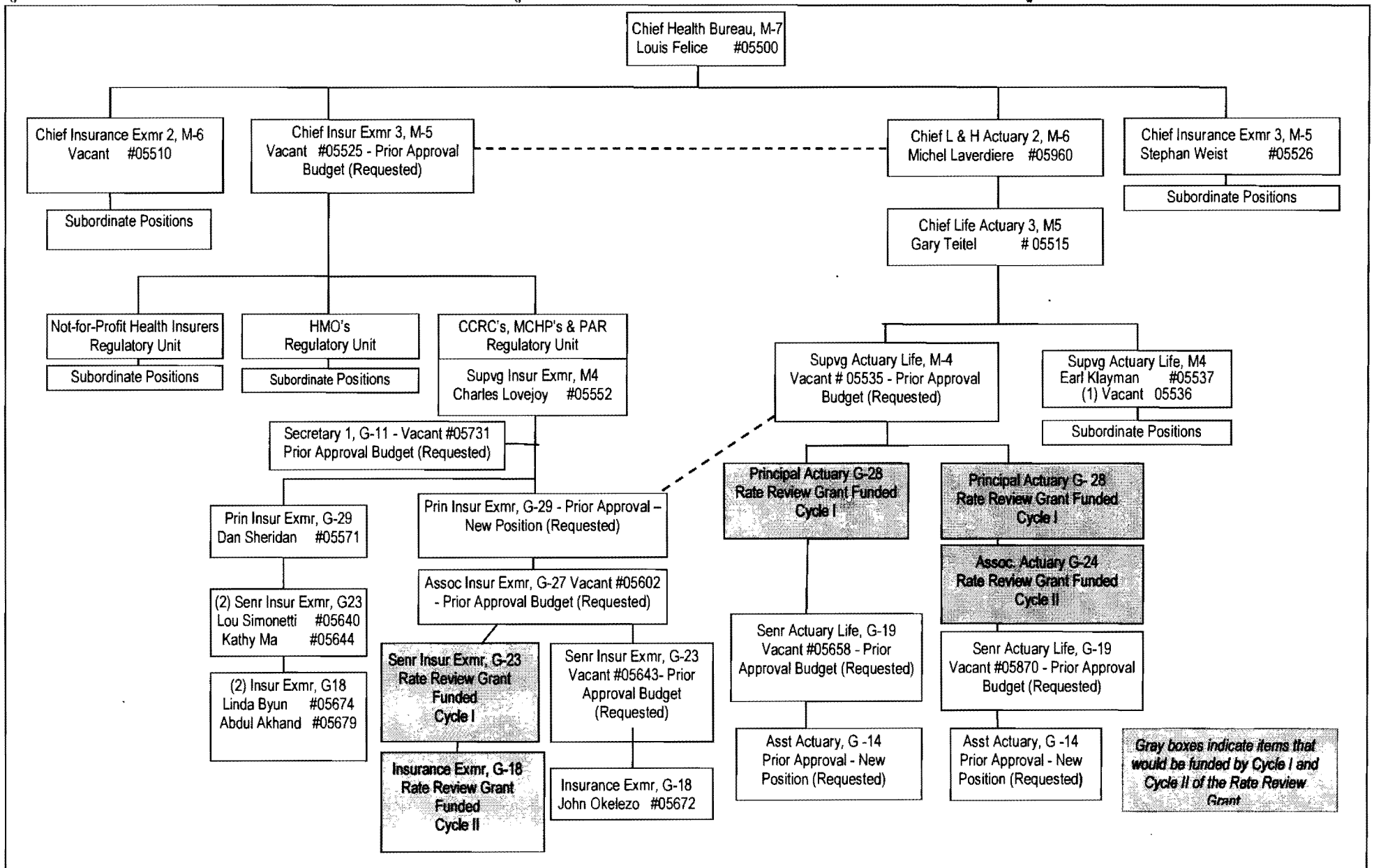
Approved by OMB  
0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name: <input type="text" value="New York State Insurance Department"/> * Street 1: <input type="text" value="25 Beaver Street, Third Floor Executive"/> Street 2: <input type="text"/> * City: <input type="text" value="New York"/> State: <input type="text" value="NY: New York"/> Zip: <input type="text" value="10004"/> Congressional District, if known: <input type="text" value="NY-008"/>		
<b>5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:</b> <div style="border: 1px solid black; height: 100px;"></div>		
<b>6. * Federal Department/Agency:</b> <input type="text" value="Health and Human Services"/>	<b>7. * Federal Program Name/Description:</b> <input type="text" value="Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review"/> CFDA Number, if applicable: <input type="text" value="93.511"/>	
<b>8. Federal Action Number, if known:</b> <input type="text"/>	<b>9. Award Amount, if known:</b> \$ <input type="text"/>	
<b>10. a. Name and Address of Lobbying Registrant:</b> Prefix: <input type="text"/> * First Name: <input type="text" value="n/a"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="n/a"/> Suffix: <input type="text"/> * Street 1: <input type="text"/> Street 2: <input type="text"/> * City: <input type="text"/> State: <input type="text"/> Zip: <input type="text"/>		
<b>b. Individual Performing Services (including address if different from No. 10a)</b> Prefix: <input type="text"/> * First Name: <input type="text" value="n/a"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="n/a"/> Suffix: <input type="text"/> * Street 1: <input type="text"/> Street 2: <input type="text"/> * City: <input type="text"/> State: <input type="text"/> Zip: <input type="text"/>		
<b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</b> * Signature: <input type="text" value="Completed on submission to Grants.gov"/> * Name:    Prefix: <input type="text"/> * First Name: <input type="text" value="Karen"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Cole"/> Suffix: <input type="text"/> Title: <input type="text" value="Director of Administration and Operations"/> Telephone No.: <input type="text" value="212-480-5312"/> Date: <input type="text" value="Completed on submission to Grants.gov"/>		

New York State Insurance Department Rate Review Activity Organizational Chart

Health Bureau

July 2010



Gray boxes indicate items that would be funded by Cycle I and Cycle II of the Rate Review Grant

**Resume/ Job Description for Project Director and Assistant Director**

**New York State Insurance Department  
Application for Grants to States for Health Insurance Premium Review- Cycle 1  
CFDA: 93.511  
July 7, 2010**

**PROJECT DIRECTOR:** John Powell, Esq.  
**ASSISTANT DIRECTOR:** Louis S. Felice, CFE

**PROJECT DIRECTOR:** John D. Powell, Esq.

**New York State Insurance Department, Albany, NY**

*Assistant Deputy Superintendent for Health, July 2007 – present*

Assist in management of all functions of Insurance Department's Health Bureau, the primary regulator of health insurance in New York State. Responsibilities include oversight of market conduct examinations, premium rate filings, policy form approval, and insurer solvency. Draft and negotiate legislation and regulations. Work with the Governor's office, legislators, other agencies and industry representatives on all aspects of health insurance. Manage staff of approximately 105 employees.

**New York State Office of the Attorney General, Health Care Bureau, Albany, NY**

*Deputy Bureau Chief, March 2007 – July 2007*

*Assistant Attorney General, June 2000 – March 2007*

Developed and litigated consumer protection cases against health plans, pharmacy benefit managers, drug wholesalers, nursing homes, clinical laboratories, and other health care entities for illegal or deceptive business practices. Negotiated settlements on behalf of New York State and consumers. Managed staff of eight consumer advocates responding to helpline complaints.

**New York State Senator Roy M. Goodman, Albany, NY**

*Associate Counsel, January 1999 – June 2000*

Drafted legislation in multiple areas including office bases surgery, health clinic access, and non-discriminatory insurance coverage. Prepared senator for floor debates. Met with lobbyists and constituents.

**Tobin & Dempf, Albany, NY**

*Associate Attorney, August 1996 – January 1999*

General practice and litigation; handled discovery, depositions, motion practice, court appearances, and settlement negotiations. Advised nursing homes and corporate clients regarding labor and employment matters, contract negotiations, and employee benefits.

**Supreme Court, Appellate Division, Third Judicial Department, Albany, NY**

*Appellate Court Attorney, August 1995 – August 1996*

Researched and analyzed appeals before the court in variety of civil and criminal matters. Prepared preliminary reports and confidential memoranda. Reviewed draft decisions.

**Education**

**Albany Law School of Union University, Albany, NY**

*Juris Doctorate, Cum Laude, May 1995*

Honors: Editor-in-Chief, *Albany Law Review*, September 1994 – May 1995

**Colgate University, Hamilton, NY**

*Bachelor of Arts in English, 1985*

Time spent on grant. Approximately 10 -15% of Mr. Powell's time will be spent on the Insurance Department's rate review process as a whole including the prior approval expansion and enhancements related to the grant. The rate review enhancement project would take up 1/3 to 1/2 of that time or 5 -7% of his time. None of that will be covered by grant funds.

**ASSISTANT DIRECTOR:**

Louis S. Felice, CFE  
Chief Examiner, Health Bureau  
New York State Insurance Department

As Chief of the Department's Health Bureau since March of this year, Mr. Felice oversees all financial, market, policy form and rate matters handled by the Bureau. Previously, from 2007 – March, 2010 as Deputy Bureau Chief, Mr. Felice focused on policy form and rate matters as well as health related legislative proposals and health insurance access programs in New York. From 2000 – 2006, Mr. Felice headed the section that conducts financial and market conduct examinations of domestic and foreign HMOs and health insurers operating in New York.

Mr. Felice has represented the New York Insurance Department as chairperson or member on a number of NAIC Task Forces and Working Groups, and has been part of a number of joint regulatory groups and industry forums during his tenure in the Department covering health solvency, policy and compliance matters. He is a member of the Society of Financial Examiners, holds a Certified Financial Examiner (CFE) designation and received a degree in Accounting from the City University of NY (Queens College).

Time spent on grant. Approximately 10 -15% of Mr. Felice's time will be spent on the Insurance Department's rate review process as a whole including the prior approval expansion and enhancements related to the grant. The rate review enhancement project would take up 1/3 to 1/2 of that time or 5 -7% of his time. None of that will be covered by grant funds.

## Project Abstract

### New York State Insurance Department

#### Application for Grants to States for Health Insurance Premium Review- Cycle 1

CFDA: 93.511 July 7, 2010

The New York State Insurance Department will enhance its current rate review process to effectively implement both the Patient Protection and Affordable Care Act (PPACA) and the state's recently enacted prior approval law. This will include augmenting rate review and approval processes and the data based systems used to support these activities.

The Insurance Department requests \$1 million in funding during Cycle I of the Health Insurance Premium Review Grant program. The Department plans to use \$49,500 of this funding to partner with Fair Health Inc, an independent, not-for-profit organization which manages a database of healthcare claims data.

To meet the requirements of PPACA while implementing the state's recently enacted prior approval law, and to enhance, streamline and standardize its rate review process, the Insurance Department will:

- add actuarial and other staff to conduct more thorough reviews of the detailed rate increase filings;
- standardize and streamline rate filings and, to the extent possible, integrate them with the reporting requirements of the PPACA;
- develop a new streamlined and standardized checklist of materials to be submitted by issuers in connection with future renewal rate filings; and
- develop specifications for more detailed market segment reporting of financial data from the NY supplements and implement associated review procedures for insurers and HMOs.

IT capacity is perhaps the most significant area in which PPACA requires rate review enhancements beyond the requirements of New York's new prior approval law. In an effort to develop the IT capacity to collect, analyze, and report meaningful rate data to HHS, to enhance the rate review process, and make the rate review process more transparent, the Insurance Department will:

- contract with the National Association of Insurance Commissioners ("NAIC") to enhance the System for Electronic Rate and Form Filing ("SERFF") to address data collection and reporting requirements as defined in the grant announcement;
- modify and expand its data management and internal database to capture this newly generated data and increase reporting functionality;
- increase its data storage capability to allow capture, storage, and manipulation of data as needed to meet mandated requirements;
- expand its IT capacity to analyze financial data reported by issuers including data mining of financial data by extracting previously submitted data from existing data sources;
- create a web based platform that would allow issuers to efficiently provide data directly to the Insurance Department; and
- begin website modernization to provide plain language information about rate filings to consumers in a user-friendly format.

**Project Narrative**  
**New York State Insurance Department**  
**Application for Grants to States for Health Insurance Premium Review- Cycle I**  
**CFDA: 93.511 July 7, 2010**

**Introductory note:** New York requests the maximum available Cycle I funding of \$1M under the Grants to States for Health Insurance Premium Review program. For purposes of this grant application, there are three relevant categories of health insurance rate review laws in New York:

1. **“Current Law.”** Described in Section A, this is the current state of rate review law in New York at the time this application is submitted (July 7, 2010).
2. **“New York’s New Prior Approval Law.”** Described briefly immediately below and in greater detail in Section B, the new prior approval law does not go into effect until after September 30, 2010. New York’s new prior approval law, under which insurers' proposed health insurance rate (premium) increases must be pre-approved by the Insurance Department before use by the carrier, is a landmark enhancement compared to current rate review laws in New York and nationally. Implementation of New York’s new prior approval law is fully funded by State dollars and is not the purpose for which New York seeks federal funds.
3. **Enhanced Health Insurance Rate Review.** Required under the Patient Protection and Affordable Care Act (“PPACA”), these are the rate review enhancements for which New York currently seeks funding in this grant application. Because of overlap in state and federal rate review functions, some enhancements will benefit both the requirements of New York’s new prior approval law as well as the requirements of PPACA. As described more fully below, New York only requests federal funding for those enhancements beyond those funded by state dollars.

**A) Current Health Insurance Rate Review Capacity and Process**

**General Health Insurance Rate Regulation Information:**

The New York State Insurance Department (the “Insurance Department” or the “Department”) licenses and regulates non-profit and for-profit health insurance companies operating in New York State. Health

Maintenance Organizations (HMOs) are regulated by both the Insurance Department and the New York State Department of Health. There are 29 for-profit health insurers licensed in New York, 4 non-profit health insurers, and 19 HMOs. Some of these entities belong to the same holding company structure. The New York State health insurance market consists of the large group market (employer groups consisting of more than 50 eligible employees), the small group market (employer groups of 2-50 eligible employees), and the individual direct pay market. Approximately 61% of New Yorkers are covered through employer sponsored insurance, approximately 40% of whom are covered through self-insured health plans exempt from state regulation. Eighteen insurers offer individual policies; twenty-eight insurers offer small employer policies; and twenty-six offer large employer policies.

New York State has strong consumer protections and, more recently, strong rate review practices compared to other states. Notable consumer protections in New York include statutory requirements for guaranteed issue, pure community rating and open enrollment in most market segments. The small group and individual health insurance markets are community rated, and rates cannot vary by age, sex, health status, or occupation. The large group HMO business is also community rated. The Healthy New York Program (small groups and individuals) and the Standardized Individual Direct Pay Program (offered through HMOs) receive State funded stop-loss subsidies. The large group market (except large group HMO-only coverage) is experience rated. Premium rates for the largest groups are based entirely on their own experience; the premium rates for the remaining groups with more than 50 eligible employees are based on a blend of their own experience and the manual rates with the proportion of the rate that is based on the group's own experience increasing as the group size increases. All experience rating formulas are required to be filed with the New York State Insurance Department and approved before use.

### **Health Insurance Rate Review and Filing Requirements:**

In New York State, health insurance rates are currently filed using one of the following three methods:

(1) File and Use: Under file and use, insurers can increase premiums by simply filing an actuarial certification that the medical loss ratio meets the statutory minimum, with no approval or even review by the



Insurance Department, i.e., the insurers “file” the rate and then “use” it. File and use can only be used for changes to *existing* premium rates (as opposed to *initial* rate filings) for community rated products (small group, individual, large group HMO). Most insurers use file and use to revise their rates. Under file and use, the company’s rate application need only include the revised rate tables and an actuarial certification stating that the expected loss ratio meets the statutory minimum (75% for small groups; 80% for individual). The file and use statutes do not require insurers to file any supporting material with the rate application. Upon such a filing, the rate is deemed approved by action of law; the Insurance Department has no authority to prevent implementation of the rate as long as 30 days notice of the change has been provided to the policyholder. For each product where the rates have been filed using this procedure, an annual loss ratio report is required to be submitted following the applicable plan year. Refunds are required if the actual loss ratio for the prior calendar year is below the statutory minimum loss ratio requirement. Policy forms can be combined for such loss ratio testing purposes based on certain criteria. Refunds are issued on a pro-rata basis.

(2(a)) Prior Approval (new and amended policy forms and rate changes for other than hospital/ medical coverage): Under prior approval, insurers’ proposed rate increases must be approved by the Insurance Department before they can use the new rate, and the Insurance Department is authorized to review, approve, modify or reject the rate increase and the underlying calculations and assumptions prior to the rate going into effect. Prior approval must be used for all initial rate filings and for rate changes that are associated with benefit changes to an existing policy form (e.g. the “six month” coverage changes associated with implementation of federal health reform). The Insurance Department has also maintained prior approval authority for other types of accident and health coverage such as long-term care, disability, fixed payment accident and health insurance. Under prior approval, the Insurance Department reviews the supporting material and either approves, modifies or rejects the rate filing. During this review the expected and historical loss ratio experience are reviewed. If the experience loss ratio has been below the minimum loss ratio standard, a corrective action may be required.

Under current law, New York requires insurers to submit an actuarial certification indicating that the filing is in compliance with the applicable laws and regulations and that the benefits are reasonable in relation to the premium charged. This allows the Insurance Department to rely on the Code of Professional Conduct and

the Standards of Practice that the actuaries must follow. The following criteria are used during the current prior approval review process: (1) premiums are reasonable in comparison to the benefits provided; (2) expected loss ratio meets the required minimum loss ratio standard; (3) claims experience justifies the proposed rate increase; (4) derivation and assumptions used comply with the applicable insurance laws and regulations governing rate development and rate filings; and (5) reviewer's actuarial judgment.

(2(b)) Prior Approval (rate changes for hospital/ medical coverage): Since calendar year 2000, prior approval has been an option that health carriers may use for review of rate increases (although few insurers chose this option for rate adjustments). In the past ten years, "file and use" has been the filing option that carriers have chosen for the overwhelming majority of submissions.

For the 2008 calendar year, 10 companies that used the "file and use" process (described above) failed the statutory minimum loss ratio requirement for some pool(s) of business and provided refunds or premium credits to policyholders. The aggregate amount of such refunds or premium credits to small group and individual policyholders was approximately \$20 million, distributed on a pro rata basis.

For rate increase filings submitted under the current prior approval process, the Insurance Department estimates that, in the last 5 years, 30 rate increase applications were reduced or denied for group and individual comprehensive medical insurance, impacting approximately 120,000 consumers. This compares to about 750 rate increases implemented via the file and use methodology over the same time period.

New York's New Prior Approval Law. On June 8, 2010, New York enacted a new prior approval law reinstating the Insurance Department's authority to review and approve, modify or reject health insurance premium rate increases before they go into effect (hereinafter referred to as "New York's new prior approval law" or the "new prior approval law").<sup>1</sup> The new prior approval law represents a significant departure from current law and will apply to rates going into effect after September 30, 2010. This new law is addressed more fully in Section (B) "Proposed rate review enhancements for health insurance."

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<sup>1</sup> The text of New York State's new prior approval law is included as an appendix to this grant application.

**An Explanation of Current Level of Resources and Capacity for Reviewing Health Insurance Rates:  
Information Technology (IT) and Systems Capacity**

The Insurance Department uses the System for Electronic Rate and Form Filing (“SERFF”), which is a web-based system that allows insurers to upload the documents associated with rate filings for review by the Department. Filing instructions, including links to rating and product checklists, are available to rate filers via SERFF. The links provided take rate filers directly to the checklists and guidance that are publicly available on the Insurance Department website. To date, and even under the new prior approval law, New York’s IT capacity for rate review is not sufficient to meet the new and anticipated requirements under PPACA.

**An Explanation of Current Resources and Capacity for Reviewing Rates: Budget and Staffing**

The Insurance Department’s budget is comprised of (a) funding for the direct costs of the Department plus other insurance related initiatives in the state including the regulatory costs of other State agencies, and (b) subsidies for insurance programs (primarily health insurance related). The Department’s budget for the fiscal year that ended March 31, 2010 totaled \$461,725,000. Of this amount, \$138,586,000 was dedicated to funding the activities of the Department’s employees. The remainder was sub-allocated for other related purposes.

In the current budget, approximately \$1,038,947 (annualized) is devoted to rate review for health insurance coverage. To take account of requirements for the new prior approval law that New York passed on June 8, 2010, and which go into effect October 2010, additional funds of \$932,958 (annualized) will be added.

The actuarial unit that currently reviews the prior approval rate filings for new policy/ amended policy forms consists of four actuaries who report to the Deputy Chief Actuary who is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA). Two of these actuaries are FSAs and two are Associates of the Society of Actuaries (ASA). File and use filings are reviewed by three individuals who report to the Deputy Chief Actuary. Each of these individuals has passed at least one of the examinations sponsored by the Society of Actuaries.

The Department receives approximately 1,650 rate filings annually. In 2009, a typical year illustrative of the current rate review scheme, approximately 70 were prior approval medical rate increase filings and 150 were

file and use medical rate increase filings. The average amount of time for completing a current prior approval rate review is about three months which includes time waiting for insurers to respond to questions from the Insurance Department regarding the submissions.

**Consumer Protections:**

The Insurance Department receives hundreds of consumer complaints annually regarding the size of health insurance premium rate increases. Currently, insurers are required to give 30 days advance notice to policyholders in writing of rate changes. There is, however, currently no required format for such notice. Under the current file and use system, there is no requirement for a public hearing and no comment period because submitted rates become effective by action of law. Under the current prior approval alternative, public hearings are required for HMO and non-profit health plans but only one such public hearing has been held since 2000. The new prior approval law does not require public hearings, but requires 60 days advance notice to consumers of a rate change and requires a 30 day period in which consumers can submit written comments on a rate filing to the Insurance Department.

Premium rates for the Standardized Individual Direct Pay Program and for the Healthy New York Program are posted on the Insurance Department's website. The website shows, by county, the participating insurance companies and contact information, and the current premium rates for the plan design options within each of these two programs. Rate tables for all other products are not posted on the Department website, but are available to the public under the Freedom of Information Law (FOIL) either in person or by mail. Premium rate increases are not posted on the Insurance Department's website. The actuarial justification and supporting documentation included rate filings are generally not made publicly available because insurers maintain that this information is proprietary and therefore exempt from applicable FOIL requirements.

**Examination and Oversight:**

Under the current file and use process, the rate increases submitted by insurers are deemed approved by action of law. As mentioned previously, refunds under the file and use process for the 2008 experience year

were about \$20 million to small group and individual policyholders. Separately, in 2008 and 2009, the Insurance Department executed stipulations with three insurers, which included penalties for failure to send proper or timely notice to approximately 11,000 enrollees before implementing a file and use rate increase. On May 18, 2009, the Insurance Department held the only rate hearing in the past two years at which the Department considered the application of a health insurer for a rate increase.

### **B) Proposed Rate Review Enhancements for Health Insurance**

Over the entire grant period, the New York State Insurance Department will significantly enhance its rate review and approval functions to effectively implement both New York's new prior approval law and the PPACA. As mentioned previously, the Insurance Department's newly increased rate review authority flows from two sources: (1) New York's new prior approval law, enacted June 8, 2010 and effective October 2010; and (2) the heightened rate review obligations under the federal PPACA.

#### **Expanding the Scope of Current Review and Approval Activities**

New York's new prior approval law will not only increase the scope of the Insurance Department's authority to review rate increase applications, but will also increase the volume of rate applications filed under the prior approval mechanism (all applications currently filed under file and use will now be filed under prior approval). The new prior approval law authorizes the Insurance Department to reject or modify a rate application if it finds that the rate is unreasonable, excessive, inadequate or unfairly discriminatory. The Insurance Department's determination must be supported by sound actuarial assumptions and methods. Compared to file and use rate applications, prior approval rate applications will include more detail to allow the Insurance Department to make these determinations. Because there is a relatively short time between enactment of the new prior approval law -- June 8, 2010 -- and when issuers will begin to file rate applications under the new prior approval process -- July and August 2010 for rates to go into effect January 1, 2011 -- the Insurance

Department will phase in some enhancements this year and continue to implement enhancements in ensuing years. For instance, with current staffing levels, the Insurance Department will triage applications to focus on potentially problematic applications, such as those including abnormally high rate increases or medical loss ratios below the statutory minimum requirement, and submissions that the Secretary of Health and Human Services ("Secretary") has determined constitute "unreasonable increases."

PPACA further imposes both substantive and procedural requirements beyond those specified under New York's new prior approval law. For instance, substantively, the Department's actuaries will have to review issuers' rate filings to ensure premiums accurately reflect PPACA requirements that become effective September 23, 2010 such as those related to annual limits and extended coverage for dependents. Also, PPACA imposes a minimum medical loss ratio requirement on large groups whereas New York does not; the Insurance Department will have to implement filing and review procedures as they are developed by the Secretary. Procedurally, the Insurance Department will oversee PPACA's reporting requirements to the Secretary as well as other requirements under PPACA. As with the new prior approval law, the Insurance Department will phase in some enhancements related to PPACA this year and continue to implement other enhancements as other provisions of PPACA become effective.

As more fully described below, the Insurance Department will focus Cycle I funding on improving filing requirements, enhancing staffing and enhancing IT capacity. Because there will be some overlap in the Insurance Department functions in reviewing rate applications under both state and federal law, certain enhancements will help the Department meet the requirements of both the new prior approval law and the PPACA, but the Insurance Department will coordinate funding from both the state and federal government to ensure there is no overlap in funding. For instance, additional actuarial staff is needed to meet the increased workload associated with New York's new prior approval law and the PPACA reforms. New York's recent budget appropriation funds New York's prior approval activities. New York's budget crisis does not, however, provide additional funding to comply with the heightened rate review requirements under PPACA. New York seeks this rate review enhancement grant funding to support those rate review functions required by PPACA that are beyond the scope of New York law.

### **Improving Rate Filing Requirements**

Standardization: Under the current file and use procedure, no supporting information, other than an actuarial certification, is required to be submitted with rate filings. As issuers are required to submit more detailed applications under the new prior approval law and PPACA, the Insurance Department will standardize and streamline those filings and, to the extent possible, integrate them with the reporting requirements of the PPACA.

Checklist: The Department will develop a new, enhanced checklist of material to be submitted in connection with future renewal rate filings. The checklist will include the required contents of the actuarial memorandum to be submitted to support and to justify the requested rate increase, and will be the basis of a standard format for the filing that will be developed as a template for all rate filers. This checklist and standard application format will be fully developed by December 2010 and posted on the Department's website thereafter. Insurance Department actuaries also will conduct training for the lower level actuaries on the new procedures.

Market Segment Reporting: The financial examiners will develop specifications for more detailed market segment reporting of financial data from the NY quarterly and annual supplements (such as, data by large group v. small group v. individual and by broad product type) and implement associated review procedures for insurers and HMOs. The Department's goal is to implement such enhancements with the March 2011 quarterly financial statements.

Claims: The Department will develop a more standardized structure for reporting claims experience and other supporting information and revise the checklist described above accordingly with the goal of completing and posting these updated requirements on the Department's website by July 2011 for use with renewal rate filings to be effective about January 2012.

**Enhancing Rate Review Process – Staffing** (\$476,064 for Cycle I)

The Insurance Department requires additional actuarial staff and resources to meet the increased rate review workload. A new actuarial unit will be created under the new prior approval law to review renewal rate filings. The head of this new unit will be a Fellow of the Society of Actuaries (FSA), but at a minimum, an Associate of the Society of Actuaries (ASA), and will report to the Assistant Chief Actuary who is an FSA and a Member of the Academy of Actuaries (MAAA).

Using Cycle I funding, two additional actuaries, not provided for as part of the state's prior approval budget, would be hired to report to the new unit leader. The ideal qualification of these actuaries will be a credential of ASA or higher, however, the Department will consider candidates who have already passed some actuarial examinations but have not yet achieved ASA status. Because the Department has historically had difficulty attracting credentialed actuaries, it may be necessary to hire recent college graduates who are interested in becoming actuaries and who are interested in and dedicated to passing the Society of Actuary examinations to achieve ASA or higher status.

Using Cycle I funding, one insurance examiner with an accounting background will also be hired to support this new unit and to develop and review the non-actuarial information (e.g. market segment financial analysis and overall solvency considerations) submitted with rate filings and insurers' financial statements.

The new staffing for this new unit will be completed during the Cycle I funding period. Please see the attached Organizational Chart for additional detail on the composition of the rate review staff units. Additionally, the contracting services for the IT enhancements (explained below) may utilize additional staff.

#### **Enhancing Rate Review Process - IT Capacity (\$474,436 for Cycle I)**

IT capacity is perhaps the most significant area in which PPACA requires rate review enhancements beyond the requirement of New York's new prior approval law. Since there was no budget allocation for IT improvements under the new prior approval law, using Cycle I funds, the Insurance Department will enhance its current IT capacity including infrastructure and staffing to streamline, standardize and modernize its systems in



order to meet the requirements of prior approval, enhance its internal capacity to analyze data and documents obtained from rate filings, and fulfill the Department's reporting requirements to HHS.

The Insurance Department will evaluate current IT capacity and improve the following areas:

- The Department's in-house capacity to analyze data/ documents received from issuers in rate filings;
- The type and accessibility of data that the Insurance Department requires to report to HHS and meet its obligations under the prior approval law;
- The extent to which external resources, including contractors or consultants, will be needed to assist the Department in reaching its goals.

As part of this process, the Insurance Department will consider, among other options, plans to develop and implement the following IT enhancements to support its rate review functions:

- Enhancement of the current health document management system to allow for the capture of the additional data elements from the rate filings;
- Enhance reporting capabilities by including additional reports and modifying existing ones;
- Interface upgrade that will include ability to perform easier data entry and data manipulation using browser based interface;
- Current workflow enhancement to perform automated rules validation based on the new laws and business rules for all data that is captured, to the extent such automation is practicable;
- A remote capture mechanism enabled to allow companies to submit filings using web submission. The remote capture interface could be integrated with the Department's web-based portal and provide a constant method for issuers to submit information into the system;
- Integration with the Department's web-based portal to provide ability to review available documents related to the rate review filings;
- Integrate data entry screens into the Department's portal to allow specific filings-related comments.

The Insurance Department envisions that the process of standardization and modernization of its systems will occur in multiple phases. The following is a detailed, estimated description of the proposed enhancements including the budgeted amount and expected timeline:

**IT Phase I of Grant Cycle I: \$168,808**

The Insurance Department plans to contract with NAIC to enhance SERFF to address data collection and reporting requirements as defined in Section V on pages 16-17 of the grant announcement. The SERFF enhancements incorporating HHS reporting requirements will be implemented in a phased approach with the first release to occur within 3 months of the receipt of the HHS uniform template for reporting. NAIC estimates the cost to New York for these enhancements is \$18,808 (to be paid from Cycle I grant funds). NAIC expects that the last enhancements of SERFF would be completed approximately 8 months after receipt of the HHS reporting template.

In conjunction with SERFF enhancements, the current document management system for rate filings in New York State will be modified to include the data fields added to SERFF. The Department's Oracle database, which stores the data collected from rate filings, also will be expanded to capture this newly generated data and reporting functionality will be expanded.

The Department's estimated hardware budget for Cycle I is \$50,000. For Cycle I, the Department's main hardware goal is to increase its data storage capability. This added capacity will allow the Department to capture, store and manipulate the data that is needed to meet mandated requirements. The Department will likely need additional hardware in future grant cycles based on future needs.

Phase I's start date is contingent upon receipt of Cycle I grant funds and the release of the HHS uniform reporting template for data reporting under the rate review grant. Phase I, which includes hardware costs (\$50,000), the expected payment to NAIC for SERFF enhancements (\$18,808), and \$100,000 for contract services, is expected to cost \$168,808. Much of the work in this phase will be completed by August 2011.

**IT Phase II of Grant Cycle I: \$152,814**

As part of planned enhancements to increase transparency in the rate filing process, the Department will begin to update its website to provide plain language, consumer-friendly information about rate filings. This will be a significant enhancement beyond the minimal information of this nature currently available.

The Insurance Department plans to expand its analysis of financial data reported by issuers in the New York Supplement to their annual reports. These plans include the data mining of financial data by extracting previously submitted data from existing data sources and the updating of the Department's database to capture newly filed data in separate fields that allow for the running of reports.

The Department anticipates that this phase of the work will begin as soon as an external contractor is identified and retained. The anticipated start date of an outside contractor would be April 1, 2011; however, the State's procurement process may delay this process. The budgeted cost for this grant cycle is \$152,814.

#### **IT Phase III of Grant Cycle I: \$152,814**

As part of the modernization of the rate review process, the Insurance Department will create a web based platform that would allow issuers to efficiently provide data directly to the Insurance Department.

Updating the Insurance Department's website will continue in Phase III. During this phase, such updating may include creating a consumer web page with a web-based tutorial and other interactive features.

Phase III work will be performed by an external contractor with computer programming expertise and additional contractors as needed. It is likely that the Insurance Department will need funding in future grant cycles to complete these activities. In Grant Cycle I, Phase III enhancements are budgeted for \$152,814.

The total budget amount for enhancing the Department's IT capacity for Grant Cycle I is \$474,436.

#### **Enhancing Consumer Protection Standards**

As mentioned above, New York's new prior approval law requires insurers to provide notice of proposed rate increases to affected policyholders to allow those policyholders to submit comments to either the issuer or the Insurance Department. The law further requires the Department to post all relevant comments on

its website to provide a public forum for comments on the rate increases. The Insurance Department will increase its capacity to meet this posting requirement by the end of 2010.

In addition, the Department will update its website to provide general information about the rate filing process to the public in a user-friendly format. The Department anticipates that this information will be crucial to consumers understanding of the public disclosure of unreasonable, unjustified and/or excessive rate increases required under PPACA by both HHS and the required posting of the information on issuers' respective websites.

### **C) Reporting to the Secretary on Rate Increase Patterns**

The Insurance Department will develop and implement procedural and systems enhancements to comply with the data reporting requirements in the grant as outlined in the forthcoming HHS-provided data template. The Department acknowledges that Section 2794 of PPACA requires grant participants to provide data to the Secretary on health insurance rate trends in premium rating areas over which the Insurance Superintendent has jurisdiction. Please see the IT enhancements described above for details on the anticipated process the Department will use. The Department awaits further guidance regarding the uniform reporting template and takes note of the required data listed in the funding opportunity announcement.

### **D) Optional Data Center Funding: Amount Requested: \$49,500**

FAIR Health, Inc. is an independent, not-for-profit<sup>2</sup> organization created in October 2009 to serve as an objective and transparent source of healthcare reimbursement data for consumers and other stakeholders. FAIR Health was created in response to New York State Attorney General Andrew Cuomo's investigation of insurance industry's methods for determining reimbursement rates for services provided by out-of-network providers. FAIR Health's activities are being supported in part through funds derived from the settlement reached with all of the major insurers in New York State.

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<sup>2</sup> Note that FAIR Health's application for 501c(3) not-for-profit designation is currently pending.

FAIR Health is in the process of acquiring a large, national database of millions of de-identified healthcare claims from Ingenix, Inc., a subsidiary of United Healthcare. FAIR Health anticipates assuming ownership of this database by Fall 2010 and will expand its claims database by collecting data from payors and other contributors. FAIR Health's first product offerings will include a free consumer website that allows consumers to view variations in charges for specific medical procedures by geographic area. FAIR Health will also license a series of products targeted to payors that are intended to assist in the establishment of reimbursement rates for out-of-network services.

FAIR Health has contracted with a consortium of academic research institutions to upgrade and refine the design of the methodologies used to derive the rate benchmark information that will ground its consumer website and its payor products. FAIR Health will publish its research methods and make them widely available to the users of its database.

Given its not-for-profit status, its academic ties, its database of healthcare claims data, the technology it is developing for publicly reporting healthcare cost data, and its commitment to transparency in health information, FAIR Health is a suitable partner for the Insurance Department as it works to identify claims cost drivers and differences throughout the State, and to enhance its rate review process.

The Department seeks \$49,500 to support the NYSID-FAIR Health partnership. These funds will cover staff time and expenses for a one-year planning process through 2011 that achieves the following objectives:

- Establish how FAIR Health's data and technologies can be used to support the Insurance Department's efforts to review health plan rates. This planning effort will include identification of the specific analytic methods FAIR Health will apply to its data for the NYSID, as well as exploration of how FAIR Health might expand its database to include allowed charge data rather than just actual charge data.
- Establish the content of the data reports that FAIR Health will provide the NYSID and the formats of data submission. This will include details on how FAIR Health's data and research findings will be made available to payors, providers, researchers, policymakers, and the general public.

<b>Objective Work Plan: New York State Insurance Department, Application for Grants to States for Health Insurance Premium Review - Cycle I; CFDA: 93.511; July 7, 2010</b>				
<b>Project: Rate Review Enhancement</b>				
<b>Funding agency goal: To enhance rate review capacity in the Fifty States</b>				
<b>Objective: To enhance the New York State Insurance Department's health insurance rate review capacities</b>				
<b>Results or benefits expected: Enhanced rate review capacity and processes</b>				
<b>Activities</b>	<b>Position Responsible</b>	<b>Time Period Begin</b>	<b>Time Period End</b>	<b>Non-Salary Personnel Hours</b>
Modify checklists and actuarial memorandum requirements; establish a standardized application format; conduct trainings.	Actuarial Staff	Oct 2010/ Contingent on new unit hires	Dec-10	The Assistant Chief Actuary will devote 20% of his time to supervision of new hires. The Bureau Chief will spend 1% of his time on new hires.
Adopt more robust review of large group experience rate changes.	Actuarial staff	October 2010/Contingent on new unit hires	Jul-11	The Assistant Chief Actuary will devote 20% of his time to supervision of new hires. The Bureau Chief will spend 1% of his time on new hires.

Develop specifications for more detailed market segment reporting from NY Supplements.	Financial Examiner	Mar-11	Sep-11	Estimated 10% of Asst Chief Actuary and 25% of Bureau's Systems liaison would be necessary to develop the financial and actuarial business needs for the IT work. A supervising examiner would consult with the Bureau Chief to review and approve requiring at least a 1% of both staff members' time .	
Conduct office-based and field-based targeted review of data integrity.	Actuarial Staff and Examiner	Oct 2010/ Contingent on new unit hires	Sep-11	Minimal review by existing examiner and actuarial staff < 5% of an existing supervisor in each area.	
Develop outward facing web based application for the public to enter search criteria to access information related to rate increases; develop a web based portal application for insurers to submit rate filing information directly to the Department; perform required enhancements to document management system to accommodate additional required fields; create new reports per specifications; modify existing reports as needed.	Contracted Staff	Work will begin as soon as procurement approval is obtained; anticipated start of April 2011		Less than 5% of Bureau Systems liaison's time. 15% of the time of two existing Systems Bureau staff member to work with consultant/s. Less than 1 % of Administration staff time for contract process.	
Add additional data fields and functionality to SERFF.	NAIC	Oct 2010/ Contingent on receipt of HHS reporting template	Aug-11	Less than 1 % of administration staff time on procurement/contracting.	
NYSID-FAIR Health Partnership	FAIR Health	Anticipated Fall 2010	Dec-11	TBD: Pending partnership details	