

Memorandum

To: Health Insurers Selling ACA Compliant Plans
From: Jon Godfread, Insurance Commissioner
Date: May 3, 2019
Re: 2020 Product Filing Requirements



The North Dakota Insurance Department (Department) requests that all 2020 ACA rate and form filings related to any dental, vision, individual health and small group health plans be submitted by May 24, 2019. The Department will continue to accept filings after this date but is not able to guarantee review or approval by the federal deadlines as outlined in the Centers for Medicare and Medicaid Services (CMS) 2020 Letter to Issuers on April 18, 2019.

All filings are required to be submitted via the System for Electronic Rate and Form Filing (SERFF). When completing SERFF filings, specify under the General Information tab if the submission is for an FFM specific product, a new product or revisions to a current product. If the SERFF submission is a revision to a current product, reference any SERFF tracking number associated with that product. The Department asks that the following information be provided in each filing.

General Guidelines

Submit SERFF filings at the product level. The different component levels plans, such as metallic values, co-pays and co-insurance, can be in the same filing but must be indicated in a bracket.

If the same product has different metallic levels, ensure the actuarial documents are easily identifiable for the various levels and actuarial calculations. The Department also reminds carriers to update their plans to comply with any changes from CMS for plans being issued for plan year 2020.

In previous years the Department required separate filings in SERFF for on and off exchange plans. However, we are allowing for one filing for these plans this filing year. We ask that previous filings are referenced for quick reference.

Rate Filing Requirements

During the 2019 Legislative session the Department introduced HB 1106 relating to the establishment of an invisible reinsurance pool for the individual health insurance market. As a result, the Department has started the work required to obtain approval from the federal government on a Section 1332 Waiver. This waiver process is very in-depth and the Department is working within the confines of federal deadlines. These deadlines will dictate some of the rate approvals and therefore we are asking that carriers file two sets of rates. One set of rates will consider federal approval of the reinsurance program outlined in HB 1106. The second set of rates for plans will be assuming a non-reinsurance mechanism similar to past years. Please refer to HB 1106 for the reinsurance program parameters. The Department is requiring that the rates and their supporting documents required by CMS submitted via HIOS, are those which reflect the reinsurance program.

The Department also requires that only silver plans, sold both on and off the exchange, have their rates loaded to reflect the federal government's non-payment of the cost sharing reductions. It is further required to create corresponding silver plans that are only offered off the Exchange so that the consumers purchasing plans off the Exchange are unaffected by the lack of cost sharing reduction funding.

Below is the Department's requirements for the specific rate filings.

- Use the required federal templates, such as the Uniform Rate Review Template (URRT) and the Actuarial Memorandum.
- Provide the experience data for all Affordable Care Act (ACA) plans for both North Dakota and nationwide, including number of policies (individual certificates), members, earned premium, paid claims and incurred gross claims, net claims (net of expected reinsurance, risk).
- The trend assumption must be supported by company experience.
- Provide calculations for all ACA fees.
- Provide an explanation and support for all changes from the prior year's index rates to the current index rates.
- Please also include the direct calculation of the index rate.
- Indicate any new benefits or modified benefits with support for the corresponding rate impact.
- Provide all exhibits including premiums tables in an excel format.

Form Filing Requirements

- If submitting revisions to a previously filed product, a red-line version is **required** and must indicate **all** changes.
- Any new product must use the NAIC checklist that is currently used for filings available in SERFF.

Finally, while certain forms and rates referenced in this communication are subject to review and approval by the Department prior to use, the Department reminds companies all forms and rates used in North Dakota remain subject to, and must comply in all respects with, North Dakota's insurance laws and regulations. The Department retains its ability to take enforcement action and seek any available remedy for non-compliant forms or rates.

We encourage you to contact us as needed for clarification of this communication. Please contact Product Filing Division Director Chrystal Bartuska at cbartuska@nd.gov or 701.328.2441.

Thank you.