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### **BULLETIN 17-13**

Date: December 11, 2017

To: Insurers, Nonprofit Health Service Plans, and Health Maintenance Organizations (carriers)

Re: Student Health Plan Form and Rate Filing Instructions for the 2018-2019 School Year

The purpose of this Bulletin is to provide guidance to insurers, nonprofit health service plans, and health maintenance organizations regarding filing requirements for the student health benefit plan form and rate filings for plans that will be issued for the 2018-2019 school year.

The student health plan form filings for the 2018-2019 school year are required to be filed with the Maryland Insurance Administration (MIA) on or before **February 1, 2018**. For the rate filings, carriers are required to file rating methodology and manual rates with the MIA on or before **February 1, 2018** in the same filing as the forms under the SERFF Filing Type: Form/Rate. Any school specific rates are required to be filed no later than 90 days before the effective date of each plan.

The following requirements apply to the student health plan form and rate filings:

1. The essential health benefits for the 2018-2019 school year are based on the 2017 benchmark plan selected by the MIA in consultation with the Maryland Health Benefit Exchange. Therefore, the instructions for required benefits and exclusions for individual health benefit plans described in Bulletin 15-33, dated December 10, 2015, will apply to the plans designed for the 2018-2019 school year. The 2017 benchmark plan may be viewed on the MIA's website in its entirety at:  
<http://insurance.maryland.gov/Documents/newscenter/legislativeinformation/2017-BenchMark-Plan.pdf>.
2. For the 2018-2019 school year, the MIA will continue to permit variability in cost-sharing, such as copayment amounts, coinsurance percentages, or deductible amounts. Carriers are not required to file a separate schedule of benefits form for each benefit design. However, as explained in Bulletin 16-35, dated December 28, 2016, federal regulations require that student health insurance coverage must provide an actuarial value of at least 60%, and

carriers must specify in any plan materials summarizing the terms of coverage, the actuarial value and the level of coverage (or next lowest level of coverage) that the coverage would otherwise satisfy.<sup>1</sup> Therefore, if a variable schedule of benefits form is submitted, the form must include a variable section where the appropriate actuarial value and level of coverage will be specified, unless the carrier has established an alternative method to provide the required disclosure for each benefit design that is issued. If a carrier chooses to file a separate schedule of benefits form for each benefit design, then each schedule must disclose the appropriate actuarial value and level of coverage, unless an alternative method is used to provide the required disclosure.

3. Student health benefit plan filings are required to be submitted under separate SERFF tracking numbers from other filings. Student health benefit plans are required to provide the same essential health benefits that are applicable to the individual market.<sup>2</sup>
4. Each filing for a student health benefit plan is required to include:
  - a. Demonstration that the actuarial value of the coverage is at least 60%, as determined in accordance with 45 CFR § 156.135 using the AV calculator developed and made available by HHS;<sup>3</sup>
  - b. The screen prints of each plan's AV calculator;
  - c. All rating factors and a demonstration that there are no factors not allowed by PPACA and that family tier factors are reasonable and not a surrogate for rating by health status;
  - d. Demonstration of the medical loss ratio calculation to show that the medical loss ratio is at least 80%;
  - e. Certification that the health benefit plan's prescription drug benefit complies with 45 CFR § 156.122 based on the information provided in the CMS Essential Health Benefits Rx Crosswalk Methodology for Plan Year 2018 and the 2017 EHB Benchmark Plan Information summary document provided by CMS; and
  - f. Documentation of compliance with the Mental Health Parity and Addiction Equity Act (MHPAEA) regulations in 45 CFR § 146.136. If separate schedules of benefits are submitted for each plan design, the documentation is required to include an actuarial demonstration of how each financial requirement applicable to a mental health or substance abuse benefit in the plan design is no more restrictive than the predominant financial requirement of that type that applies to substantially all of the medical/surgical benefits in the same classification. If variable schedules of benefits are submitted, an explanation of variability must be included that clearly demonstrates how the carrier will ensure, for each variable plan design, that each financial requirement applicable to a mental health or substance abuse benefit in the plan design will be no more restrictive

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<sup>1</sup> 45 CFR § 147.145

<sup>2</sup> 45 CFR § 147.145.

<sup>3</sup> If a health benefit plan's design is not compatible with the AV calculator, the carrier must submit actuarial certification using the chosen methodology in the rule. 45 CFR § 156.135(b).

than the predominant financial requirement of that type that will apply to substantially all of the medical/surgical benefits in the same classification.

The documentation should include a clear description of the methodology used by the carrier to determine the dollar amount of all plan payments for the substantially all/predominant analysis. Carriers should review the guidance provided by the Departments of Labor, Health and Human Services, and the Treasury in FAQs about Affordable Care Act Implementation Part 31, Mental Health Parity Implementation, and Women's Health and Cancer Rights Act Implementation, Q8, published April 20, 2016, and FAQs about Affordable Care Act Implementation Part 34 and Mental Health and Substance Use Disorder Parity Implementation, Q3, published October 27, 2016.

Questions about this Bulletin may be directed to the Life/Health Section of the Maryland Insurance Administration at 410-468-2170.

AL REDMER, JR.  
Commissioner

signature on original

Robert D. Morrow Jr.  
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