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BULLETIN 14-03

Date: February 7, 2014

To: Insurers, Nonprofit Health Service Plans, Health Maintenance Organizations and Dental Plan Organizations

Re: 2015 Affordable Care Act ("ACA") Individual and Small Employer Form and Rate Filing Instructions

The purpose of this Bulletin is to provide guidance to insurers, nonprofit health service plans, health maintenance organizations and dental plan organizations ("carriers") regarding filing requirements for the individual and small employer form and rate filings for plan or policy years beginning on or after January 1, 2015.

General Requirements

The essential health benefits will remain the same as for 2014. Therefore, the instructions for required benefits and exclusions described in Bulletin 13-01, dated January 3, 2013 will continue to apply to the 2015 plans. The rate filing requirements will remain the same as described in Bulletin 13-12, dated March 27, 2013.

The following requirements apply to the form filings:

1. As in 2014, the Maryland Insurance Administration will permit form filings to be filed before the associated rates filings are filed. However, all filings are due within the time periods discussed in this Bulletin.
2. Variability in cost-sharing, such as copayment amounts, coinsurance percentages or deductible amounts, will not be permitted. Instead, carriers are required to file a separate schedule or benefit form for each benefit design.
3. Individual and small employer form filings may not be combined under the same SERFF tracking number, but are required to be submitted under separate SERFF tracking numbers.

4. Each filing for a health benefit plan is required to include:
 - a. Identification of where the plan will be sold (i.e. in the Exchange, outside the Exchange, or both);
 - b. Identification of the coverage level for each benefit design for a health benefit plan that is not a catastrophic plan (i.e. bronze, silver, gold, platinum);
 - c. A separate contract or schedule for each plan design that the carrier intends to offer;
 - d. The actuarial value of each plan design determined in accordance with the 45 CFR § 156.135 using the AV calculator developed and made available by HHS;¹
 - e. Identification of whether the plan design is only applicable to those individuals who qualify for the cost-sharing reductions of the Affordable Care Act or corresponding federal regulations;² and
 - f. Certification that the health benefit plan's prescription drug benefit complies with 45 CFR § 156.122.
5. Additional requirements for stand-alone dental plan filings:
 - a. Identification of the level of coverage, i.e. low or high, including the actuarial value of the plan determined in accordance with the rule;³ and
 - b. Certification of the level of coverage by a member of the American Academy of Actuaries using generally accepted actuarial principles.⁴
6. Please note that the Maryland Health Benefit Exchange ("Exchange") limits the number of plans that may be offered on the Exchange.⁵ Therefore, each filing that includes forms to be used on the Exchange is required to include a list of the forms that will be sold on the Exchange in 2015 and a listing of any previously approved forms that will no longer be offered on the Exchange.

¹ 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).

² See § 1402 of the Affordable Care Act; 45 CFR § 155.1030; and 45 CFR § 156.420.

³ 45 CFR § 156.150(b)(2).

⁴ 45 CFR § 156.150(b)(3).

⁵ See Maryland Insurance Administration Bulletin 13-05, dated January 23, 2013.

Form and Rate Filing Deadlines

The rate and form filings deadlines for the individual and small employer market for plan years or policy years that begin on or after January 1, 2015 are as follows:

- Individual health benefit plans and rates to be sold on and off the Exchange—May 1, 2014;
- Individual stand-alone dental plans and rates to be sold on the Exchange—May 1, 2014;
- Small employer health benefit plans and rates to be sold on and off the Exchange—May 1, 2014; and
- Small employer stand-alone dental plans and rates to be sold on the Exchange—May 1, 2014.

Since the Maryland essential health benefits remain the same in 2015 as in 2014, with regard to form filings, we are encouraging carriers that have approved forms to submit only new schedules that are needed for the policy years or plan years that begin on or after January 1, 2015. If a schedule has already been approved for use in Maryland, a new form filing is not needed for that benefit design. However, the premium rates and rate documentation for 2015 will be required for all forms being offered in 2015.

Substitution Rules

Maryland Insurance Administration Bulletin 13-02, which was issued January 7, 2013, described in detail the many factors that were considered in making the determination that substitution of essential health benefits (“EHBs”) would not be permitted in the individual and small employer markets for 2014 and that the approach would be reassessed for 2015. The approach has been reassessed for 2015 and for the same reasons described in Maryland Insurance Administration Bulletin 13-02, it has been determined that substitution of EHBs will *not* be permitted in the individual and small employer markets for 2015.

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

Signature on original



Brenda A. Wilson
Associate Commissioner
Life and Health