

ACA Health Rate Filing Submissions General Information--Plan Year 2021

PLEASE NOTE: This communication is not all inclusive and should be used in conjunction with applicable statutes and regulations. It should not be construed as legal advice or a legal opinion. State statutes and regulations always prevail over the information contained in this communication.

COVID-19 Factors

The Department will pay particular attention to the assumptions provided by carriers related to COVID-19 and the overall impact attributed to the pandemic. To the extent the assumptions used are more detailed than a single factor applied to all plans, carriers should be prepared to provide more information upon request.

In May, the NAIC's Health Actuarial Task Force developed the *ACA 2021 COVID-19 Rate Review Guideline*. The template is intended to be a tool for state insurance departments to work with carriers in their states to identify COVID-19 related cost factors that may need to be considered in pricing of 2021 ACA compliant plans. The template may be found on the Task Force's website under the "Related Documents" tab at https://content.naic.org/cmt_e_b_ha_tf.htm.

Missouri is not requiring carriers to fill out any portion of the template but encourages carriers to utilize this resource to the extent it may be useful.

Items receiving immediate attention in the filing review

For rate filings submitted for Individual and Small Group ACA plans, the Department requests that companies pay special attention to the following items, as they are the focus of the initial review:

1. Part 2 Written Rate Justification;
2. Redacted version of the actuarial memorandum; and
3. The list of counties where coverage will be offered

1) Part 2 Written Rate Justification

Missouri regulations regarding the Part 2 written justification can be found at [20 CSR 400-13.100 \(6\)\(B\)](#). The intent of the Part 2 justification, as outlined in the rule, is that it is a "brief, non-technical, consumer-oriented explanation of the proposed rates...and any modifications contained therein." The following information includes observations from prior years' filings. Please use these observations in conjunction with the regulation.

- **Highly technical submissions:** Contents should include common terminology that is clearly understandable to the general public.
- **Most significant factors affecting the change in rates:** Lists of factors that affect the change in rates have included items that have not changed from one filing to the next. These may be significant to the rates overall, but are not significant to the change in rates as outlined in the current filing. We suggest that these factors not be included in Part 2.
- **Loss ratios:** Consumers are familiar with the Medical Loss Ratios that are calculated for ACA rebate purposes. We suggest that carriers use the federal MLR calculated for ACA rebate purposes in their Part 2 justification. Furthermore, we suggest that companies include their rebate payment history in addition to historical MLRs.
- **Unnecessary information:** Carriers are encouraged to ensure that their Part 2 justification is consistent with other parts of the filing. Furthermore, we strongly encourage carriers to use the Part 2 justification as opportunity to plainly state the reasons for the year's rate action to

consumers, rather than including unsupported statements about the quality of the company or its products, or other marketing-type materials.

2) Redacted version of the actuarial memorandum

The redacted actuarial memorandum should be identical to the actuarial memorandum that has not been redacted, with the exception of items that have been blacked out or omitted. NOTE: These redactions should be limited to items that are trade secret or proprietary, as described in [20 CSR 400-13.100\(7\)](#), and are not already made public by some other document in the filing.

3) List of counties where coverage will be offered

The Unified Rate Review Template's (URRT) Worksheet 3 collects information on the companies' rating factors for the rating areas the companies are offering coverage. In addition, the Department is requesting a list of the counties in those rating areas where the companies plan to offer coverage. The list of counties will be made public in the 2021 Individual Health Insurance Market Map, which will be available at <https://insurance.mo.gov/industry/filings/healthrates/>.

Exclude transitional business from the Unified Rate Review Template

In prior years there has been confusion about whether the transitional business needed to be included in Worksheet 1 of the URRT. Some guidance indicated it should be included in Worksheet 1, but then pulled back out of Worksheet 2. The opposing interpretations were based on some confusing language in the URRT instructions. Current federal guidance suggests that the determination of whether to have the transitional business included in the URRT is up to the states. Missouri requests that it be *excluded* from the URRT for the 2021 plan year.

Questions about this communication or health rate filings may be directed to the Department at healthrates@insurance.mo.gov.