

ACA HEALTH RATE FILING GENERAL INFORMATION FOR PLAN YEAR 2022

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.

URRT Experience Period

There have been discussions by companies in some states about potentially using years other than 2020 as their experience periods in the Unified Rate Review Template (URRT). Two reasons for this line of thinking are as follows: (1) 2020 had unusual claims patterns due to COVID-19, and (2) there is language in the URRT instructions that some interpret as allowing for other years to be used as the experience period in some circumstances. The language in question: “[i]t should be the most recently completed calendar year; if not, include an explanation in the Actuarial Memorandum.”

CMS/CCIIO has indicated that changing the experience period to something other than 2020 will not be allowed. The instruction at issue contemplates participants in the market who did not have experience in the year that should be the experience period. CMS intends to clarify the instructions for plan year 2023.

COVID-19 Factors

As was the case last year, the Department will pay particular attention to the assumptions provided by companies related to COVID-19 and the overall impact attributed to the pandemic. Given that impacts from COVID-19 are present in the experience period data, companies should be able to provide more detailed information related to these assumptions than was previously available.

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

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 (MLR) 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 an 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 that are not already made public by some other document in the filing.

3) **List of counties where coverage will be offered**

Worksheet 3 of the URRT collects information on the rating factors for the rating areas in which the company is offering coverage. In addition, the Department is requesting a list of the counties in those rating areas where the company plans to offer coverage. The list of counties will be made public in the 2022 Individual Health Insurance Market Map, which will be available at <https://insurance.mo.gov/industry/filings/healthrates/>.

Exclude transitional business from the URRT

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 2022 plan year.

DCI Health Insurance Rates Website

Useful information for submitting a successful rate filing is available on the Department's website at <https://insurance.mo.gov/industry/filings/healthrates/>. Information includes the following:

- Bulletin 21-02 – Filing Dates for Plan Year 2022
- Health Insurance Rate Filing Checklist
- Health Insurance Rate Filing Statute
- Health Insurance Rate Filing Regulations
- Information about previous years' rate filings, including SERFF tracking numbers.

Filing Review Timeline

In accordance with Bulletin 21-02 we request ACA filings be submitted by June 30, 2021. Upon completion of the preliminary review, the Department will conduct a call with each company to discuss the first round of objections. Many objections relate to actuarial issues, therefore, actuarial participation on this call is strongly encouraged. Our goal is to complete all calls and company responses to the first round of objections, prior to the public posting of rates on July 30, 2021. If necessary, additional calls can be scheduled for subsequent objections prior to the finalization date for Qualified Health Plans (QHP) rates in HIOS on August 18, 2021.

Non-QHP rate reviews will begin as soon as possible, but note that first priority is given to QHP

rate reviews. Calls will be scheduled with the companies for the first round of objections on these filings in August. Rates must be final by October 15, 2021.

Prior Filings Used as a Template

In order to shorten review times, companies that have filed ACA rates in prior years are encouraged to use their most recent final version of the actuarial memorandum and Part 2 as a reasonable starting point. Companies that are entering the market for the first time, or for the first time in a few years, may find it helpful to view the final versions of the actuarial memoranda for companies that filed for the previous year available via SERFF Public Access. Note that every filing is reviewed on its own merit.

Effective Rate Review

Missouri is an Effective Rate Review (ERR) state. As such, there are federal requirements the Department must comply with, but there are also some tasks that remain the federal government's responsibility. Please note, the Missouri Department of Commerce and Insurance does not review QHP applications or certify QHPs. For ease of reference, the HIOS ID number should be included in the SERFF filing, preferably in the Filing Description section of the General Information tab. Federal guidance does not mandate that ERR states require companies to post every update to the filing in HIOS, and Missouri does not require these updates. If the company needs the Department to take action in HIOS, please contact the Department.

Questions

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