

### Advisory Memorandum

**To: All Insurers of Non-grandfathered ACA-compliant Health Benefit Plans in the Individual or Small Group Markets**

**From: NCDOI/Life & Health Division**

**Date: April 24, 2015**

**Re: Instructions for Submission of Single-Risk Pool Rate Filings for the 2016 Plan Year**

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As an effective rate review state under federal regulation, the North Carolina Department of Insurance (NCDOI) is required to uniformly make public certain information of 2016 Plan Year annual single risk pool rate filings. In order to meet that requirement, NCDOI has established the following process for insurers to follow in submitting their 2016 Plan Year rate filings.

This guidance addresses filings with a threshold calculation of 10% or greater as well as filings where the threshold calculation is less than 10%. Also included is a listing of all supporting documentation/data requirements for single-risk pool filings. **Please read the entire memorandum and proceed under the appropriate instructions as applicable.**

**NCDOI expects insurers to follow this procedure with no deviations.**

- I. For Non-grandfathered ACA-compliant Single-Risk Pool Rate Filings for the 2016 Plan Year in the individual or small group markets in which the threshold calculation is 10% or greater**
  - A. Insurers are expected to submit an annual single-risk pool rate filing for the 2016 Plan Year for each market (as applicable) via SERFF.
  - B. Insurers are expected to submit ALL single-risk pool filings to NCDOI and CMS/CCIIO on May 15, 2015.
  - C. Insurers should use the SERFF Filing Type “2016 Plan Year ACA Single-Risk Pool Rate Filing” for each submission.
  - D. Insurers are expected to submit all state required information for an ACA-compliant single-risk pool filing as outlined in previous guidance and/or per SERFF filing requirements, including Parts I, II and III of the federal Rate Filing Justification.

- E. Insurers are expected to submit the redacted version of the federal Actuarial Memorandum (Part III of the Rate Filing Justification) AND the un-redacted version if the insurer wishes to take advantage of the federal policy permitting the use of a redacted version.
- a. The two documents MUST be submitted separately under their respective SERFF Submission Requirements.
  - b. Insurers are expected to submit a federal actuarial memorandum under the respective SERFF Submission Requirement (and the redacted version, if applicable, under its SERFF submission requirement), even if the insurer is using the North Carolina Actuarial Memorandum to serve as its federal actuarial memorandum (with or without redaction).
  - c. Insurers should also submit the North Carolina Actuarial Memorandum (using NCDOI's template) under the North Carolina Actuarial Memorandum SERFF submission requirement.
- F. Pursuant to 45 CFR § 154.301(b)(1)(i), in order to coordinate the simultaneous (uniform?) public release of Parts I, II, and III of the Rate Filing Justification for all proposed rate increases subject to review on a uniform date, insurers are expected to mark as confidential Parts I, II and III (both redacted and un-redacted versions) of the Rate Filing Justification.
- a. Should Parts I, II and III be revised during the review process, the insurer may mark such amended information as confidential if the information qualifies as trade secret under NC's laws and the insurer follows the Division's trade secret process.
  - b. In order to coordinate the simultaneous (uniform?) public release of Parts I, II and III of all final rate increases, insurers must also as a final step before approval, submit final versions of Parts I, II, and III (redacted version) to be disclosed publically on the uniform date specified in regulation or otherwise chosen by the State. Such versions should be marked confidential in SERFF, but the documents themselves should not contain any internal markings of confidentiality or trade secret.
- G. Insurers are expected to submit the following required statement signed by an officer of the company relating to the temporary confidentiality of Parts I, II, and III on the Supporting Documentation tab in the SERFF filing.
- “<COMPANY> acknowledges that Parts I, II, and III of the federal Rate Filing Justification (as applicable) are being submitted as confidential only on a temporary basis to facilitate NCDOI compliance with federal requirements for uniform release of rate information pursuant to 45 CFR 154.301(b).”
- H. Insurers may mark other submitted content which qualifies for trade secret status under NC's laws as confidential as long as the insurer follows the Life and Health Division's Trade Secret submission process. Those instructions may be accessed here:  
<http://www.ncdoi.com/lh/Documents/Licensing/PaperFilingInstructions.pdf>.
- I. Insurers are expected to leave the “Overall Rate Impact” field on the SERFF General Information tab as blank.

Insurers should understand that for filings described in number 1 above, as required by 45 CFR § 154.301(b), NCDOI will make public on June 1, 2015 Parts I, II and III of the Rate Filing Justification which are included in the May 15 submission. Furthermore, NCDOI will, after approval, make public the final versions of those documents from all filings on a uniform date but no later than the first day of open enrollment.

**II. For Non-grandfathered ACA-compliant Single-Risk Pool Rate Filings for the 2016 Plan Year in the individual or small group markets in which the threshold calculation is less than 10%**

- A. Insurers are expected to submit an annual single-risk pool rate filing for the 2016 Plan Year for each market (as applicable) via SERFF.
- B. Insurers are expected to submit ALL single-risk pool filings to NCDOI and CMS/CCIIO on May 15, 2015.
- C. Insurers should use the SERFF Filing Type “2016 Plan Year ACA Single-Risk Pool Rate Filing” for each submission.
- D. Insurers are expected to submit all state required information for an ACA-compliant single-risk pool filing as outlined in previous guidance and/or per SERFF filing requirements, including Parts I and III of the federal Rate Filing Justification.
- E. Insurers are expected to submit the redacted version of the federal Actuarial Memorandum (Part III of the Rate Filing Justification) AND the un-redacted version if the insurer wishes to take advantage of the federal policy permitting the use of a redacted version.
  - a. The two documents MUST be submitted separately under their respective SERFF Submission Requirements.
  - b. Insurers are expected to submit a federal actuarial memorandum under the respective SERFF Submission Requirement (and the redacted version if applicable under its SERFF submission requirement), even if the insurer is using the North Carolina Actuarial Memorandum to serve as its federal actuarial memorandum (with or without redaction).
  - c. Insurers should also submit the North Carolina Actuarial Memorandum (using NCDOI’s template) under the North Carolina Actuarial Memorandum SERFF submission requirement.
- F. In order to coordinate the simultaneous (uniform?) public release of Parts I and III of the Rate Filing Justification for all final rate increases on a uniform date as provided in 45 CFR § 154.301(b)(1)(ii), insurers are expected to mark as confidential Parts I and III (both redacted and un-redacted versions) of the Rate Filing Justification.

- G. Insurers are expected to submit the following required statement signed by an officer of the company relating to the temporary confidentiality of Parts I and III on the Supporting Documentation tab in the SERFF filing.

“<COMPANY> acknowledges that Parts I, II, and III of the federal Rate Filing Justification (as applicable) are being submitted as confidential only on a temporary basis to facilitate NCDI compliance with federal requirements for uniform release of rate information pursuant to 45 CFR 154.301(b).”

- H. Insurers may mark other submitted content which qualifies for trade secret status under NC’s laws as confidential as long as the insurer follows the Life and Health Division’s Trade Secret submission process. Those instructions may be accessed here:  
<http://www.ncdoi.com/lh/Documents/Licensing/PaperFilingInstructions.pdf> .
- I. Insurers are expected to leave the “Overall Rate Impact” field on the SERFF General Information tab as blank.

Insurers should understand that for filings described in number 2 above, as required by 45 CFR § 154.301(b), NCDI will, after approval, make public the final versions of those documents from all filings on a uniform date but no later than the first day of open enrollment.

### **III. Supporting Documentation/Data Requirements for ALL Single-Risk Pool Rate Filings**

As a reminder, the following items should be submitted with ALL single-risk pool rate filings.

- A. NC Actuarial Memorandum – [http://www.ncdoi.com/HealthCareReform/HCR\\_Rate\\_Filing.aspx](http://www.ncdoi.com/HealthCareReform/HCR_Rate_Filing.aspx)
- B. NC Rate Data Template – [http://www.ncdoi.com/HealthCareReform/HCR\\_Rate\\_Filing.aspx](http://www.ncdoi.com/HealthCareReform/HCR_Rate_Filing.aspx)
- C. NC Checklist - [http://www.ncdoi.com/HealthCareReform/HCR\\_Rate\\_Filing.aspx](http://www.ncdoi.com/HealthCareReform/HCR_Rate_Filing.aspx)
- D. Part I of the federal Rate Filing Justification – Unified Rate Review Template
- E. Part II of the federal Rate Filing Justification - Written Explanation of the Rate Increase (if applicable)
- F. Part III of the federal Rate Filing Justification – Actuarial Memorandum – Unredacted
- G. Part III of the federal Rate Filing Justification – Actuarial Memorandum – Redacted (if applicable)
- H. A screen shot from the 2016 Actuarial Value Calculator for each plan in the URRT and associated plan binder
- I. Federal Unique Plan Design Supporting Documentation and Justification Form (if applicable)
- J. Federal EHB Substituted Benefit (Actuarial Equivalent) Supporting Documentation and Justification Form (if applicable)
- K. 2016 HIOS Submission Tracking Number
- L. HMO Financial Projection Template (only applies to entities licensed as HMOs)
- M. HMO Actual to Projected Financial Results (only applies to entities licensed as HMOs)

All questions relating to this memorandum should be addressed to Jean Holliday at [jean.holliday@ncdoi.gov](mailto:jean.holliday@ncdoi.gov) or (919) 807-6061