

To: All Insurers of Student Health Insurance Plans¹ in North Carolina

From: Life & Health Division

Date: April 16, 2015

Re: Student Health Insurance

Submission of 2015/16 School Year Regulatory Submissions

Pursuant to NCGS §§ 58-3-150 and 58-51-85, all blanket policy forms, certificates and rates must be submitted to the Department for our review and prior approval. Insurers of student health insurance plans must submit their 2015/16 school year insurance policy forms (including certificates (or other summaries of coverage issued to students), their rates along with an actuarial memorandum explaining the development of the rates for the Department's review and, as appropriate, prior approval.

- Insurers will NOT be required to submit a SERFF Plan Binder for the 2015/16 school year insurance plans.
- Insurers are expected to make regulatory submissions relating to their student health business to NCDOI to seek prior approval of the insurance forms (or amendments thereto) and/or rates, as applicable, that will be used with the 2015/16 school year. If an insurer does not intend to submit a form filing (to seek approval of a new policy/certificate or to amend a previously approved form), then all required documentation noted below should be submitted either in the rate filing or in an informational "form" filing.
- Insurers are requested to make a rate filing submission to NCDOI reflecting the changes in the rates for student health insurance from the 2014/15 school year. In some cases insurers are required to seek NCDOI's prior approval of such rates, and such prior approval requirements still apply.
- Insurers should make clear in any regulatory submission pertaining to student health insurance coverage that the forms and/or rates are for use in that market.

¹ As defined in 45 CFR § 147.145(a)



- Insurers should review the NC EHB Benchmark information at: http://www.ncdoi.com/HealthCareReform/HCR_EHBAV.aspx
- Insurers are REQUIRED submit a copy of the NC EHB Crosswalk with their form filing* which facilitates the Department’s review of your forms with the benefits required to be included in the plan as part of Essential Health Benefits. The crosswalk can be located in the SERFF Filing Requirements for Blanket Accident/Sickness submissions.
- Insurers are REQUIRED to submit screen shots from the 2015 Plan Year AV calculator for each distinct plan (usually on a school or system basis) of student health insurance coverage issued/renewed in NC for the 2015/16 school year to demonstrate compliance with the Actuarial Value standards. The screen shots should be submitted in the 2015/16 rate filing(s) and added to the Supporting Documentation tab in SERFF. Additionally, insurers are REQUIRED to include a certification from an actuary that all of the 2015/16 student health plans in NC will meet the AV requirements of the EHB regulation as found in 45 CFR §§ 156.135 and 156.140.
- Insurers are REQUIRED to submit an explanation of how they comply with the provisions relating to the rating of student health insurance coverage found in the federal ACA Health Insurance Market Rules issued in the federal register on February 27, 2013 (also known as CMS-9972-F). Specifically an actuarial certification that the rates for each student health “group” are structured “to comply with ‘school-specific group community rating’ as outlined in CMS-9972-F page 13424” OR “to comply with the applicable premium rating requirements of Section 2701 of the ACA, including use of the federal age curve and NC’s rating areas.”
- Insurers are REQUIRED to submit a completed federal prescription drug template (<http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/PrescriptionDrug.xls>) in order that NCDOI can confirm compliance with the Essential Health Benefits benchmark and drug list. Insurers can find instructions for completion of the Prescription Drug Template and justifications/supporting documentation at posted by CMS/CCIIO here: <http://www.cms.gov/cciio/programs-and-initiatives/health-insurance-marketplaces/qhp.html> .

Insurers should submit the completed template in the Excel format and place it on the SERFF Supporting Documentation tab for the company’s form filing*. The insurer should also submit completed federal justification documents as applicable and place those on the SERFF Supporting Documentation Tab.

- Insurers are REQUIRED to submit an attestation as part of their form filing* that the pediatric dental benefit provided as part of essential health benefits in the student health insurance plans matches the benefits of the federal FEDVIP High Option as provided in EHB guidance issued by CCIIO.
(<http://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/north-carolina-ehb-benchmark-plan.pdf>) . The attestation should be added on the SERFF Supporting Documentation Tab and indicate the following

(COMPANY) hereby certifies that its applicable plans provide benefits and limitations on coverage for the Pediatric Dental Benefit that are substantially equal to those covered by the Largest FEDVIP Dental plan as of March 31, 2012, i.e. the MetLife Federal Dental Plan—High plan. The plans that Company offers will comply with all benefit design standards and state and federal regulations and laws for the pediatric dental benefit, as applicable.

I understand and agree that should a plan be found to not comply with the pediatric dental benefit as noted above, (COMPANY) will make all necessary amendments to plans, policy forms, and rates to bring the benefit into compliance.

- Insurers are REQUIRED to submit an attestation as part of their form filing* of compliance with the federal Mental Health Parity and Addiction Equity Act as follows:

(COMPANY) hereby certifies that the benefits across all of the following categories in ALL plans (including cost sharing variations) comply with federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) and any regulations issued thereunder, including with regard to financial requirements and treatment limitations. The categories are: Inpatient (in and out of network), Outpatient (in and out of network), Emergency Care, and Prescription Drugs.*

I understand and agree that should a plan be found to not comply with MHPAEA as noted above, COMPANY will make all necessary amendments to plans, policy forms, and rates to bring the benefit into compliance.

The attestation should be added on the SERFF Supporting Documentation Tab.

*If an insurer does not intend to submit a form filing for the 2015/16 school year, then the required templates and attestations should be attached to the requested/required rate filing referred to in the third bullet above **OR** the documents should be submitted in an informational “form” filing made through SERFF.

Updates to 2015/16 School Year Plans under the ACA

- Pursuant to the HHS Notice of Benefits and Payment Parameters for 2015 issued on March 11, 2014 the cost-sharing maximums applicable for the 2015 Plan Year are:

\$6,600 for self-only coverage
\$13,200 for other than self-only coverage
- Insurers are reminded to review the final federal Mental Health Parity and Addiction Equity Act regulations issued on November 13, 2013 (applicable on 7/1/14) and to make all necessary adjustments to their student health insurance plans benefits and benefit structures to comply.
- Pursuant to 45 CFR § 147.130 a health insurer offering insurance in the individual health insurance market must provide coverage for preventive health services as referenced in the regulation without any cost-sharing requirements. Additionally, an insurer must provide coverage for changes in the list of recommendations or guidelines for policy years that begin on or after the date that is one year after the date the recommendation or guideline is issued.
- As part of EHB compliance, under 45 CFR § 156.122(c), a plan providing EHB must have procedures in place that allow an enrollee to request and gain access to a clinically appropriate drug not covered by the plan. The plan must include procedures for an expedited process for exigent circumstances that requires the health plan to make its coverage determination within no more than 24 hours after it receives the request and that requires the health plan to provide the drug for the duration of the exigency.

Updates Related to Student Health Insurance Rates

- Insurers should review the “Rate Review Justification Instructions for Transitional and Student Health Plans” guidance issued by CMS/CCIIO on April 1, 2015. The guidance may be accessed at the following link: <http://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/RRJ-Instructions-Manual-20150401-Final.pdf>

The guidance provides the technical instructions for insurers to submit the Preliminary Justification in the federal Rate Review Justification (RRF) module of HIOS for student health plans. The Preliminary Justification must be submitted to the federal system AND to the State for all proposed rate increases that are 10% or greater.

- In order to assure compliance with the guidance on reporting of rate increases with thresholds calculations² of 10% or more, insurers are REQUIRED to submit with ALL 2015/16 school year rate filings, a demonstration of the threshold calculation, on a product level basis , which is certified by an actuary. If the increase is 10% or more, then the insurer must complete submission of the information noted above in the RRJ module of HIOS.

Any questions relating to this memo should be directed to the attention of Jean Holliday at jean.holliday@ncdoi.gov or 919-807-6061.

² A proposed rate increase meets or exceeds the subject to review threshold if the average rate increase for all enrollees weighted by premium volume is equal to or greater than 10%.