

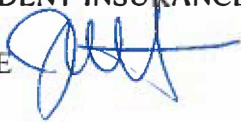


Illinois Department of Insurance

BRUCE RAUNER
Governor

JENNIFER HAMMER
Director

TO: ALL COMPANIES WRITING HEALTH AND ACCIDENT INSURANCE IN ILLINOIS

FROM: JENNIFER HAMMER, DIRECTOR OF INSURANCE 

DATE: April 26, 2017

RE: COMPANY BULLETIN #2017-02. ILLINOIS FILING REQUIREMENTS FOR INDIVIDUAL AND SMALL GROUP HEALTH PLANS (ON AND OFF-MARKETPLACE)

The purpose of this Bulletin is to provide instructions to Issuers seeking certification or recertification of individual and small group health plans and Stand Alone Dental Plans (SADP) offered on the Individual and Small Business Health Options Program (SHOP) Marketplace and off the Marketplace for Plan Year 2018.

Note: The timeline applies to individual and small group health plans offered on and off the Marketplace. Issuers must file off-Marketplace rate filings according to the same timeline as Qualified Health Plans (QHPs).		
	Activity	Dates
QHP Application Submission and Review Process	Issuers Submit Plan Data to Illinois DOI through SERFF	5/1/17 – 5/22/17
	Illinois DOI First SERFF Data Transfer Deadline	6/21/17
	CMS Reviews Initial QHP Applications	6/22/17 – 7/25/17
	Issuers deadline to submit possible rate revisions due to CMS risk adjustment information	7/10/2017
	Issuers Deadline to submit Service Area Petition	7/24/17
	CMS Sends First Correction Notice to Issuers	8/1/17 - 8/2/17
	Illinois DOI Deadline to Provide Issuer Service Area Petition Changes to CMS	8/4/17
	Deadline for Issuer changes to QHP Applications	8/11/2017
	Illinois DOI Second SERFF Data Transfer Deadline for States	8/16/2017
	CMS Reviews Final QHP Submissions	8/17/17 – 9/11/17
	CMS Sends Final Correction Notice to Issuers with Agreements for Signature and Plan Lists for Confirmation	9/14/17 – 9/15/17
	Illinois DOI sends CMS final Plan Recommendations	9/27/2017
QHP Agreement/ Final Certification	Issuers Send Signed Agreements, Confirmed Plan Lists and Final Plan Crosswalks to CMS	9/16/17 – 9/27/17
	Limited Data Correction Window (Outreach to Issuers with CMS or Illinois DOI Identified Data Errors; Issuers Submit Corrections; CMS Reviews and Finalizes Data for Open Enrollment.)	9/15/17 – 10/7/17
	CMS sends Certification Notices with counter-signed agreements and final plan lists to Issuers	10/11/17-10/12/17
Open Enrollment begins		11/1/2017

Individual & Small Group Medical Plans On and Off Marketplace Filing Requirements Plan Year 2018

Between May 1 and 11:00 p.m. (CST) May 22, 2017, Issuers offering individual and small group health plans on and off the Marketplace shall submit all applicable **checklists, forms, templates and documents** using the System for Electronic Rate and Form Filing (SERFF) to the Illinois Department of Insurance. (See Exhibit 1 and 2).

To assist the Department in determining the purpose and content of the form filling, Issuers should refer to the attached sample Letter of Submission. (See Exhibit 3).

All off-Marketplace only filings must include the Actuarial Memorandum (Illinois and Federal), the Unified Rate Review Template, and the Rates Template.

All Issuers must complete and submit the [Health Premium Rates Checklist](#).

- Issuers must provide quantification of all rate increase drivers that equate to the proposed average annual rate increase.
- If the Issuer uses a manual rate, they must provide an explanation of the manual rate development that parallels the experience projections.

If an Issuer has no revisions to a prior approved policy or form, the previously approved filing (policy/form) must be associated in the QHP binder under the appropriate QHP. Issuers submitting applications for new or revised plans offered on the Individual or SHOP Marketplace must also submit an identical separate filing for the off Marketplace plan (See Exhibit 3).

QHP Certification and Recertification Filing Requirements Plan Year 2018

Under the Affordable Care Act (ACA), all health plans offered on the Individual or SHOP Marketplace must be certified or recertified annually as a QHP. To be certified or recertified as QHPs, plans must meet all applicable federal and state requirements, be recommended by the Department to the Centers for Medicare and Medicaid Services (CMS) Center for Consumer Information and Insurance Oversight (CCIIO), and gain certification or recertification from CCIIO, resulting in a signed Issuer agreement.

The Department will review QHP applications to ensure compliance with applicable state laws, as well as standards established by the ACA. The Department's recommendation for certification or recertification will be informed by an assessment of the Issuer's past performance based on audits and monitoring of consumer complaints from the preceding year. To apply for QHP certification or recertification, Issuers must:

- Visit the [Centers for Medicare & Medicaid Services' website](#) and complete the 14 sections of the QHP application using the relevant templates and review tools:
 - Accreditation
 - Administrative
 - Business Rules
 - Essential Community Providers (ECP) and Network Adequacy
 - State Licensure and Good Standing
 - Plan Crosswalk
 - Plans and Benefits
 - Prescription Drugs
 - Program Attestations
 - Quality Improvement
 - Quality Rating
 - Rates
 - Service Area
 - Unified Rate Review
- Submit all **checklists, templates, and supporting documentation** in a SERFF QHP binder.
- Verify use of the Data Integrity Tool and make necessary corrections to applications.

- Submit rate and form filings separately but associate rate and form filings with the relevant QHP application.
 - Each form filing submitted for recertification should provide a red-lined version identifying the variations in plan benefit design from the plans submitted for the previous plan year. Both the red-lined version and final form or policy must be submitted in the Form Schedule tab in SERFF.
 - All form filings must be submitted in the format of a complete insurance policy; the Department will not accept matrix insert page filings, riders, amendments, variable language or brackets.
 - Note: Summary of Benefits and Coverage is the only form that may contain bracketed information per the federal template.
- Remit the fee of \$3,000.00 for certification of each new QHP, \$1,500.00 for recertification of an existing QHP.

Issuers not renewing participation in the 2018 Marketplace must notify the Department of the termination of a QHP for Plan Year 2018 and are required to adhere to applicable laws, regulations, and contractual requirements, including notifying enrollees. For QHPs that will be discontinued or modified, Issuers must submit the appropriate letters or notifications pursuant 215 ILCS 97/60. Issuers should use the [notification template](#) for the Individual market.

QHP and SADP Standards

The ACA and relevant Health and Human Services (HHS) regulations provide the framework for the QHP certification and recertification process and standards as summarized below. The omission of any particular federal or state requirement from this Bulletin should not be construed to mean that compliance with those requirements is unnecessary. Issuers should refer to the [2018 Letter to Issuers in the Federally-Facilitated Marketplace](#) from the Center for Consumer Information and Insurance Oversight (CCIIO) for technical guidance related to standards for QHPs and the final [Notice of Benefit and Payment Parameters for 2018](#) and the related [fact sheet](#).

In summary, to be certified or recertified as a QHP, Issuers and/or plans must:

- Be licensed and in good standing in the State of Illinois at the time of initial QHP application (see 45 CFR 156.200(b)(4));
 - The Department will verify licensure in the Department's regulated entities database.
 - The Department will monitor solvency by review of financial statements required by Part 925 of Title 50 to the Illinois Administrative Code.
 - Complete the appropriate Illinois Department of Insurance checklist(s) and submit with SERFF filing
- Offer coverage that is substantially equal to the coverage offered by the Essential Health Benefits (EHB) benchmark plan (45 CFR 156.115);
- Cover a minimum geographic service area (see 45 CFR 155.1055(a) (see Table 1 for Illinois-specific geographic rating information));
- Ensure QHPs and SADPs offer coverage that is substantially equal to the coverage offered by the Essential Health Benefits (EHB) benchmark plan, and includes all state and federal mandates (45 CFR 156.115);
- Adhere to requirements related to cost-sharing for each silver-level QHP an issuer offers through the Marketplace, including offering three plan variations with reduced cost sharing for each silver level QHP an issuer offers through the Marketplace, and offer QHPs at both the Silver and Gold coverage levels throughout each service area in which the Issuer applying for recertification or certification offers coverage through the Marketplace (see 45 CFR 156.420 and 45 CFR 156.200(c)(1)) (See Table 2 for calendar Year 2018 Limitations on Cost Sharing);
- Ensure QHPs maintain network adequacy and transparency standards (see 45 CFR 156.230(a)(2));
- Adhere to continuity of care and provider transition notice standards (45 CFR 156.230);

- Implement processes and procedures to meet standards for out-of-network cost sharing for in-network settings (45 CFR 156.230e);
- Meet requirements for including Essential Community Providers or alternatives in provider networks (see 45 CFR 156.235);
- Demonstrate compliance with applicable patient safety standards (see 45 CFR 156.1110);
- Comply with quality reporting standards and applicable quality improvement strategy requirements (see 45 CFR 156.1125);
- Satisfy benefit design standards (see 45 CFR 156.125(a));
 - Each form filing submitted for recertification should provide a red-lined version identifying the variations in plan benefit design from the plans submitted for the previous plan year. Both the red-lined version and final form or policy must be submitted in the Form Schedule tab in SERFF.
- Comply with prescription drug coverage requirements offering coverage at least the greater of one drug in every United States Pharmacopeia category and class or the same number of prescription drugs in each category and class as the Benchmark plan (45 CFR 156.122(d));
- Meet the standard for meaningful difference in support of Informed Consumer Choice (45 CFR 156.298); and
- Comply with Illinois marketing laws and regulations. (45 CFR 156.225(a), 215 ILCS 5/149, 215 ILCS 5/364, 50 Ill. Adm. Code 2002), whereby standards are the same inside and outside the Marketplace; products and rates must not be constructed or marketed in a way that discourages people from using the Marketplace.

Catastrophic Plans

Catastrophic plans may be sold only on the Individual Marketplace, not on SHOP. Catastrophic plans are available to adults under age of 30 who have no other affordable insurance options. Catastrophic plans must offer:

- Coverage that is not in the bronze, silver, gold, or platinum level and has lower premiums than other plans with a similar provider network;
- Protection against high out-of-pocket costs;
- Coverage for three primary care visits per year before reaching the deductible;
- Recommended preventative services without cost-sharing; and
- No coverage of essential health benefits until the enrolled individual reaches the annual limitation in cost-sharing (45 CFR 156.155).

Corrective Action Plan

An Issuer and/or its plan that fails to comply with QHP certification or recertification requirements may be subject to a corrective action plan, to enable the Issuer or Plan to reach full compliance within 60 days of receipt of the corrective action plan.

Plan Decertification

Throughout the year, the Department will monitor ongoing Issuer compliance with QHP certification criteria through complaint monitoring and random audits. Under the authority of the Illinois Insurance Code, 215 ILCS 5/143, if a QHP fails to meet one or more of the QHP requirements, the Director of Insurance may revoke, suspend, or recommend decertification of the QHP to CCIIO. Enrollees in a decertified plan will have the option to choose a new plan under a special enrollment period, as described in 45 CFR 155.420.

Table 1.

Service Area: A QHP need not offer statewide coverage, but a QHP must offer coverage to an entire rating area (*every county included in the rate area*) as defined herein. Issuers that fail to meet this requirement must obtain an exception from the Department. (See **2018 QHP Service Area Exception Form on the [Department’s Review Requirements Checklists webpage](#)**). The Issuer must provide service area maps to show compliance with service area requirement.

Rating Areas	County
1	Cook County
2	Lake, and McHenry Counties
3	DuPage, and Kane Counties
4	Grundy, Kankakee, Kendall, and Will Counties
5	Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, and Winnebago Counties
6	Bureau, Hancock, Henderson, Henry, Mercer, Rock Island, Warren, and Whiteside Counties
7	Fulton, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, and Woodford Counties
8	Dewitt, Livingston, and McLean Counties
9	Champaign, Clark, Coles, Cumberland, Douglas, Edgar, Ford, Iroquois, Piatt, and Vermilion Counties
10	Adams, Brown, Cass, Christian, Logan, Macon, Mason, Menard, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott, and Shelby Counties
11	Bond, Calhoun, Clinton, Greene, Jersey, Macoupin, Montgomery, Randolph, and Washington Counties
12	Madison, Monroe, and St. Clair Counties
13	Alexander, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Richland, Saline, Union, Wabash, Wayne, White, and Williamson Counties

Table 2: Maximum Annual Limitation on Cost Sharing for Plan Year 2018

	Individual Coverage	Family Coverage
QHPs:	\$7,350	\$14,700

	One Child	Two or more children
SADPs that provide pediatric dental EHB:	\$350	\$700



State of Illinois
ACA QHP Certification of Compliance

The undersigned represents and warrants that he/she is a duly authorized officer of the Company named below, and hereby certifies that he/she is knowledgeable concerning the requirements necessary to comply with federal ACA and associated health care reform legislation, and that the policy forms contained herein and the associated documents and any other reporting requirements conform with all state and federal laws and regulations.

I understand that the Illinois Department of Insurance will rely on this Certification of Compliance for the QHP Application Checklist, policy forms contained herein, along with associated documents. Should it subsequently be determined that these documents listed do not comply with the required statutes and regulations or that this certification is false or incorrect, corrective and disciplinary action, including retroactive disapproval, as authorized by law, may be taken by the Department against the Company.

The Company must complete and file with the Department in its SERFF binder the Statement of Detailed Attestation Responses required for State Partnership QHP Issuers. The attestation form can be found at: [State Partnership Exchange Issuer Attestations](#).

By: _____

Date: _____

Printed name: _____

Title: _____

Company: _____

Company FEIN: _____

Address: _____

Company NAIC #: _____

Phone: _____

Email: _____

Issuers may be required to attach other checklists as indicated by the
ACA individual, Small Group, and Catastrophic Checklist.

Exhibit 1:

2018 Health Plans Filing Requirements- Forms & Binder

Federal Required Templates	Required Submission via SERFF		Location:
	On/Off-Marketplace	Off-Marketplace	
All applicable templates/documents listed on the QHP Certification Checklist shall be uploaded in SERFF binder <i>(Note that documentation must be submitted in SERFF binder for the state of Illinois)</i>	Yes	(refer to Exhibit 2 for specific templates)	Binder
Illinois Required Documents			
ACA Individual, Small Group, and Catastrophic Checklist	Yes	Yes	Form Filing
Qualified Health PPO/HMO Network Adequacy Checklist	Yes	Yes	Form Filing & Binder
ACA Individual & Small Group SADP Review Requirements Checklist	Yes	Yes	Form Filing

Exhibit 2:

2018 Health Plans Filing Requirements- Rates

Federal Required Templates	Required Submission via SERFF		Location:
	On/Off-Marketplace	Off-Marketplace	
QHP Rating Module documents - Rates Table Template - Business Rules Template	Yes	Yes	Rate Filing & Binder
Unified Rate Review Template	Yes	Yes	Rate Filing & Binder
Illinois Required Documents			
Health Premium Rates Checklist	Yes	Yes	Rate Filing & Binder
Proposed Enrollment Template	Yes	No	Rate Filing & Binder
Qualified Health PPO/HMO Network Adequacy Checklist	Yes	Yes	Rate Filing & Binder

Exhibit 3:

Illinois Department of Insurance

Letter of Submission Template

[Issuer shall file a letter of submission, or provide information in the Filing Description field under the General Information tab in SERFF. (Reference 50 IAC 916.40(b) and 50 IAC 2001.130(a)(3))]

1. [Salutation]
2. RE: [Issuer preference]
3. [Statement to indicate: (a) purpose and content of filing; (b) whether or not the submission is a new form]
4. [List name of the form(s) and identifying form numbers. If the form is intended to supersede another, the form number of the form replaced and the date it was approved by the Department, with a redline version from the previously approved form.
Identify SERFF tracking number(s) of the prior approved forms.]
5. This is an [insert **one** statement as shown below. Use all caps as shown.]
 - ON EXCHANGE filing. [QHPs and SADPs. For a QHP form filing, indicate the SERFF tracking number of the associated Off Exchange mirrored form filing (a filing to represent an off exchange QHP plan that is also sold on the marketplace exchange)]
 - OFF EXCHANGE MIRRORED filing. [QHPs only. Indicate the SERFF tracking number of the associated On Exchange form filing]
 - OFF EXCHANGE MARKET filing. [QHPs only. For forms/plans not offered on the marketplace exchange]
 - OFF EXCHANGE CERTIFIED filing. [SADPs only. For certified SADPs sold off exchange only]
6. [Indicate the SERFF tracking number(s) of the associated rate, network, and form filings.]
7. [If applicable, statement to indicate whether or not the filing represents a Multi-State plan.]
8. [Other additional information, as appropriate for the filing.]
10. [Complimentary close/Name of Sender/Contact information for Sender]