Policy Overview for 2019

April 11, 2018

Qualified Health Plan (QHP)
Issuer Conference

The information provided in this presentation is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This presentation summarizes current policy and operations as of the date it was shared. Links to certain source documents may have been provided for your reference. We encourage persons attending the presentation to refer to the applicable statutes, regulations, and other guidance for complete and current information.

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Policy Overview - Agenda

- Market-wide Standards
  - 2019 Payment Notice
  - Plan Year 2019 Rate Review Timeline
- QHP Issuer Standards
  - 2019 Payment Notice
  - 2019 QHP Timeline
  - 2019 Letter to Issuers

Documents Available at
https://www.cms.gov/cciio/resources/regulations-and-guidance/

2019 Payment Notice Market-wide Standards

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Market-wide Standards: 2019 Payment Notice

- Essential Health Benefits (EHB)
- Student Health Insurance
- Rate review – reasonableness review threshold
- Rate filing – submission deadlines
- Notice of State posting of rate increases

Market-wide Standards – 2019 Payment Notice (continued)

New EHB-Benchmark Plan Policy: State options for changing its EHB-benchmark plan

- Starting with the 2020 plan year
- States will have more flexibility to select an EHB-benchmark plan:
  - **Option 1 (45 CFR §156.111(a)(1)):** Selecting the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.
  - **Option 2 (§156.111(a)(2)):** Replacing one or more categories of EHB under §156.110(a) under its EHB-benchmark plan used for the 2017 plan year with the same category or categories of EHB from the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.
  - **Option 3 (§156.111(a)(3)):** Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan, subject to certain requirements, including scope of benefit requirements.

Alternatively, States have the flexibility to forgo these options, and may instead retain their current EHB-benchmark plans.

Market-wide Standards – 2019 Payment Notice (continued)

Other EHB Provisions

- State Mandate Policy at 45 CFR §155.170
- Benefit Substitution at 45 CFR §156.115(b)(3)

Market-wide Standards: 2019 Payment Notice (continued)

Student Health Insurance

- Exempt from Federal rate review requirements, effective for plan or policy years beginning on or after July 1, 2018.
- States maintain flexibility to review rate increases of any size and any other aspects of student health insurance coverage.

Market-wide Standards: 2019 Payment Notice (continued)

Rate Review Threshold

- Establishes a 15 percent Federal default threshold for reasonableness review (minimum) of single risk pool proposed rates.
- A State must submit a proposal to CMS to use a State-specific threshold that is greater than the Federal default threshold.
- Issuers are required to submit the following for single risk pool plans:
  - Part I – The Unified Rate Review Template is required for all submissions.
    - Plans that experience no rate changes, rate increases, rate decreases, as well as new single risk pool plans.
  - Part II – The rate increase justification is required only if the product is subject to review (15 percent Federal default threshold for reasonableness review) (minimum).
  - Part III – The actuarial memorandum is required for a submission containing a rate increase of any size.

Market-wide Standards: 2019 Payment Notice (continued)

Rate Filing Submission Deadlines

- States with an Effective Rate Review Program *may* set a later rate filing submission deadline for issuers who offer non-QHPs only.
- All submissions still due by the *earlier of* the state deadline or federal deadline.
- Does not affect uniform posting requirement.
  - State must post all proposed increases that are subject to review and all final increases at a uniform time, in the relevant market segment, and without regard to whether coverage is offered through or outside an Exchange.

Market-wide Standards: 2019 Payment Notice (continued)

State Notice of Posting

- If a State plans to post rate filing information prior to the Federal deadline, the State must notify CMS in writing, no later than 5 business days prior to the date it intends to make any proposed or final rate filing information public.
- Notice must be in writing, but can be via email to ratereview@cms.hhs.gov.

Rate Review Timeline*

- **Submission of proposed rate filings:**

For single risk pool coverage (rate increases, no rate changes, rate decreases and rates for new coverage):

  - June 1 – in a State without an Effective Rate Review Program; or
  - July 25 – in a State with an Effective Rate Review Program. *Note: This is also the date the Rates Table Template is due to Plan Management for QHPs.

- **CMS posting of proposed rate filings**:

August 1 – Proposed rate filings for all single risk pool coverage will posted on https://ratereview.healthcare.gov (including both QHPs and non-QHPs), regardless of whether the product includes a plan with a rate increase that is subject to review under 45 CFR §154.210.

**Note: CMS has a two-day data lag. The information that will be made public is the data as it stands in the system at 3:00 p.m. ET on July 30.*

Rate Review Timeline* (continued)

- **CMS deadline for finalization of rates:**

August 22 – all rate filing justifications for single risk pool coverage that include a QHP to be in a final status in the URR system.

October 15 – all rate filing justifications for single risk pool coverage that include only non-QHPs to be in a final status in the URR system.

- **CMS posting of final rate filings:**

November 1 – Final rate information for single risk pool coverage will be posted on https://ratereview.healthcare.gov (including both QHPs and non-QHPs), regardless of whether the product includes a plan with a rate increase that is subject to review under 45 CFR §154.210.

*These dates are in the Bulletin: Timing of Submission of Rate Filing Justifications for the 2018 Filing Year for Single Risk Pool Coverage Effective on or after January 1, 2019.

2019 Payment Notice
QHP Issuer Standards

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QHP Issuer Standards – 2019 Payment Notice

Key Qualified Health Plan Issuer Provisions:

- Small Business Health Options Program
- Qualified Health Plan Certification Standards
- Standalone Dental Plan (SADP) Actuarial Value

QHP Issuer Standards – 2019 Payment Notice (continued)

Small Business Health Options Program (SHOP)

- We finalized allowing SHOPs to operate in a leaner fashion.
- The Federally-facilitated SHOPs (FF-SHOPs) and State-based Exchanges on the Federal platform (SBE-FP) for SHOP will use the flexibility to operate in a leaner fashion, and State-based Exchanges will have the flexibility to operate a SHOP in the way they choose in accordance with Federal and State law.

QHP Issuer Standards – 2019 Payment Notice (continued)

Key Exchange and Qualified Health Plan Provisions:

Qualified Health Plan Certification Standards

- For FFEs, including FFEs where the State performs plan management functions, we will continue to rely on States for network adequacy reviews.
- We are not deferring to States for additional certification review areas such as accreditation requirements, compliance reviews, quality improvement strategy reporting, and service area.
- We are eliminating the meaningful difference requirement for QHPs.

QHP Issuer Standards – 2019 Payment Notice (continued)

SADP Actuarial Value (AV)

- We remove the requirement for SADP issuers to meet the low (70 percent +/- 2 percentage points) or high (85 percent +/- 2 percentage points) AV levels specified in §156.150(b). SADP issuers must:
  - Continue to limit annual cost sharing for the pediatric EHB, as required in §156.150(a) and provide the pediatric dental EHB as required by §155.1065, in order to be certified as QHPs.
  - Continue to certify to the Exchange the actuarial value of each SADP's coverage of pediatric dental EHB, but not subject to the requirements to offer the coverage at the low or high actuarial value levels previously required.

QHP Issuer Standards – 2019 Payment Notice (continued)

Key Exchange and Qualified Health Plan Provisions

- We are not specifying any standardized options for the 2019 benefit year, and will not to provide differential display for standardized options on HealthCare.gov.
- Agents, brokers, and issuers that participate in direct enrollment (DE) and use their own Internet Web site for QHP selection or to complete the Exchange eligibility application will select their own third-party entities for conducting audits, rather than HHS initially reviewing and approving these entities.

2019 Letter to Issuers

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Letter to Issuers (continued)

- The 2019 Letter to Issuers is streamlined from previous years in order to focus on guidance that has been updated for the certification cycle for 2019 plan year.
- The Letter builds on previously issued rules and policy documents to provide operational and technical guidance.

Revised QHP Certification Timeline for 2019 Plan Year

Activity		Dates
QHP Application Submission and Review Process	Initial QHP Application Submission Window	5/9/18 – 6/20/18
	CMS reviews Initial QHP Applications as of 6/20/18	6/21/18 – 8/3/18
	CMS sends First Correction Notice	8/9/18—8/10/18
	Deadline for Service Area Petition	8/13/18
	Final deadline for issuer changes to QHP Application	8/22/18
	CMS reviews Final QHP submissions as of 8/22/18	8/23/18 – 9/10/18
	CMS sends Final Correction Notice to issuers with Agreements for signature and plan lists for confirmation	9/17/18
	States send CMS Final Plan Recommendations	9/25/18
QHP Agreement/ Final Certification	Issuers send signed Agreements, confirmed plan lists and final Plan Crosswalks to CMS	9/17/18 – 9/25/18
	Limited data correction window	9/20/2018 – 9/21/2018
	CMS sends Certification Notices with countersigned Agreements and final plan lists to issuers	10/4/18 – 10/5/18
Open Enrollment		Begins on 11/1/2018

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Letter to Issuers (continued)

QHP Certification Timeline

- Our approach to the timeline for 2019 is similar to the timeline for the 2018 plan year.
- The deadline for the QHP application Rates Table Template of July 25, 2018 is a month later than the initial submission deadline for the rest of the QHP application.
- States will have until September 25, 2018, to confirm plan lists and sign and return their certification agreement to CMS.

2019 Letter to Issuers

- The Letter includes technical and operational guidance as to how certain provisions in the 2019 Payment Notice are finalized.
  - Network adequacy
  - ECPs
  - SADP AV
  - Meaningful Difference
  - DE entity oversight

Letter to Issuers (continued)

Network Transparency

- CMS will utilize the same terminology used for 2018 to describe network breadth on HealthCare.gov.
- The calculation will be done for the specific county rather than for the county type (rural, urban, suburban, etc.) as done in previous years.

Letter to Issuers (continued)

Prescription Drugs

- The approach for reviewing issuers' prescription drug benefit offerings remains largely unchanged from that used in 2018.
- Opioid use disorder will be added as a condition to the clinical appropriateness review.
- CMS will not conduct active certification reviews for formulary outliers for States that perform plan management functions, and will instead defer to those State processes. We will continue to review for formulary outliers in FFE States that do not perform plan management functions.

Letter to Issuers (continued)

QHP Rate Review Justification

- As noted earlier, the reasonableness review default threshold increased from 10 percent to 15 percent.
- QHP issuers must submit Part II of the rate filing justification for each single risk pool product that includes a plan with a rate increase of 15 percent or more (or other applicable State-specific threshold).

Letter to Issuers (continued)

Additional Highlights

- SADP annual limitation on cost sharing is unchanged from 2018 to 2019.
- We reiterate there is no PY 2019 requirement on Web-brokers and QHP issuers DE partners to differentially display standardized options.
- We discuss guidance on the oversight mechanisms for DE entities.

Letter to Issuers (continued)

Additional Highlights

- We clarify that that QHP issuers are not required to make available a printed copy of written translations of a formulary drug list pursuant to §155.205(c), unless doing so is necessary for providing meaningful access to an individual with a disability or an individual with limited English proficiency.
- HHS will maintain non-enforcement against an individual market issuer for omitting the minimum value disclosure as it relates to the Summary of Benefits and Coverage instructions.

PY19 QHP Application Submission & Review Timeline and Process

PY19 QHP Certification: Overview

- Issuers must submit a complete application for all plans they intend to have certified, including those plans that were previously certified as QHPs for the 2018 plan year.
- This overview also applies to SADPs, including those seeking off-Exchange certification.
- Ancillary insurance products and health plans that are not QHPs (e.g., stand-alone vision plans, disability, or life insurance products) will not be offered on the Federally-Facilitated Exchange (FFE). The FFE will only offer QHPs and SADPs.
- This overview and timeline do not apply to State-based Exchanges (SBEs), except for SBEs utilizing the federal platform for eligibility and enrollment (SBE-FPs), which follow the same data submission deadlines.

State Exchange Models

Exchange Model	Consumer Application and Enrollment Site	Issuer Application Submission System
Federally-facilitated Exchange (FFE)	HealthCare.gov	HIOS
FEE where State Performs Plan Management Functions	HealthCare.gov	SERFF & HIOS (for URRT)
State-based Exchange on the Federal Platform (SBE-FP)	HealthCare.gov	SERFF
State-based Exchange (SBE)	Exchange websites established & maintained by the state	State-specific system
Direct enforcement states (FFE-DE) (MO, OK, TX, WY)	Contact formfilling@cms.hhs.gov for details on requirements for form filing in these states.	

Application Submission

FFE states, states performing plan management functions, and SBE-FP states

- Issuers applying for QHP certification in the FFE will submit complete and accurate QHP Applications through the Health Insurance Oversight System (HIOS).
- In states performing plan management functions and SBE-FP states, issuers will work directly with the state to submit QHP Application data in accordance with state guidance and in accordance with the CMS QHP Certification Timeline.
  - These states use the System for Electronic Rate and Form Filing (SERFF) to collect QHP Applications from issuers.

Initial Submission Deadlines

- Issuers applying for QHP certification must submit complete and accurate QHP Applications by **June 20, 2018**.
  - For PY19, a complete and accurate QHP Application for the initial submission deadline is a QHP Application containing all necessary templates, excluding a Rates Table Template or Unified Rate Review Template (URRT).
  - QHP Applications for new plans CMS receives after this date and plans for which significant changes to the initial submission are submitted after this date without prior CMS and state approval may not be considered for certification.
- Issuers applying for QHP certification will submit complete and accurate Rates Table Template(s) and URRT by **July 25, 2018.**
  - Issuers that submit an initial QHP Application by June 20, 2018, but do not submit a Rates Table Template(s) and URRT by July 25, 2018 may not be considered for certification.

QHP Certification Timeline: Submission & Review

Activity	Dates
Initial QHP Application submission window	5/9/18-6/20/18
Initial QHP Application deadline	6/20/18
Initial deadline for QHP Application Rates Table Template	7/25/18
CMS reviews initial QHP Applications as of 6/20/18	6/21/18-8/3/18
CMS releases first correction notice	8/10/18
Service area data change request deadline	8/13/18
Deadline for issuers to change QHP Applications	8/22/18
CMS reviews QHP Applications as of 8/22/18	8/23/18-9/10/18

QHP Certification Timeline: QHP Agreement and Plan Confirmation

Activity	Dates
CMS posts QHP agreements and QHP plan lists	9/17/18
CMS sends final correction notice to issuers	9/17/18
Limited data correction window issuer data submission	9/20/18-9/21/18
State sends CMS final plan recommendations	9/25/18
Issuers send signed agreements, confirmed plan lists, and final plan crosswalks to CMS	9/17/18-9/25/18
CMS sends certification notice to issuers	10/4/18-10/5/18
Open enrollment begins	11/1/18

New for PY19: Optional Early Bird Review

- Issuers that submit a complete QHP Application **by May 31, 2018** will qualify for an "Early Bird" review round.
  - Issuers do not need to submit a Rates Table Template or URRT to qualify.
- CMS will complete most of the QHP certification reviews, and provide results to issuers prior to June 20, 2018.
- Issuers will be able to correct any identified issues prior to the initial review round, potentially reducing the number of corrections needed later in the certification cycle.
- This process is available to both QHP and SADP issuers and does not restrict issuers from adding additional plans or changing data before June 20, 2018.

Review of QHP Applications: Overview

- CMS will review QHP Applications against all QHP certification standards for issuers currently offering QHPs and issuers applying for QHP certification for the first time.
  - For issuers in SBE-FPs, CMS will conduct data integrity reviews.
- Following each review period, CMS will send applicants notices summarizing any need for corrections identified during the CMS review process.
- Issuers will then need to resubmit their QHP Applications with these corrections reflected by the relevant deadlines.
- CMS will re-review submitted QHP Applications.
- Special Note: Because of the later Rates Table Template submission deadline, CMS will run two rounds of the Data Integrity Tool reviews in two separate parts during the initial review round.

Review Coordination with States

- CMS expects states to review potential QHPs for compliance with all requirements under state law.
- Except for direct enforcement states, CMS expects states to also review potential QHPs for compliance with market-wide standards established under the Patient Protection and Affordable Care Act.
  - For direct enforcement states, CMS Form Filling will review QHPs for compliance with market-wide standards.
- CMS expects that states will establish their own timeline, communication process, and resubmission window for any reviews conducted under state authority.

Questions

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