

WYOMING NOTICE TO HEALTH INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS

April 2, 2013

TO: ALL INSURANCE COMPANIES LICENSED TO WRITE HEALTH COVERAGE IN THE STATE OF WYOMING AND ALL HEALTH MAINTENANCE ORGANIZATIONS

RE: DEPARTMENT APPROACH TO FORM AND RATE REVIEW IN ANTICIPATION OF CHANGES TO FEDERAL LAW THAT GO INTO EFFECT ON JANUARY 1, 2014; GEOGRAPHIC RATING AREAS FOR WYOMING UNDER FEDERAL LAW

Beginning January 1, 2014, new federal requirements will apply to health insurer and health maintenance organization (HMO) rates and policy forms. The department has received numerous inquiries regarding its review and regulation of Wyoming health insurer and HMO rates and policy forms for products that must comply with the new federal requirements. The department recognizes that insurers and HMOs are concerned about ensuring their products comply with existing state requirements and the new federal standards. The intent of this notice is to provide guidance on how the department will approach regulating rates and policy forms going forward.

Form Review

The policy form review process in Wyoming focuses on health insurer and HMO compliance with state requirements. The department will continue to review all policy language for compliance with Wyoming laws and regulations. In addition, when addressing complaints, the department will require that health insurers and HMOs comply with the terms of the policies they have issued, regardless of whether a particular term is based on a federal or state law.

Due to the number of changes that will be required under the 2014 reforms, the department requests that complete policies be filed, rather than amendments, riders, or insert pages. All policies must be filed through SERFF. If policy changes become required during any subsequent federal review of policies, insert pages or amendments will be accepted to bring the policies into compliance with federal law.

Rate Review

For HMOs, the department will continue to review rate increases as it has in the past. In reviewing rates, the department assesses whether a proposed increase is just, fair, reasonable, and adequate under Wyoming Statute 26-34-110(j).

Wyoming has not imposed rate review on other health lines. Review of rates for products other than HMO will remain File and Use.

Expedited Review

The department recognizes that insurers and HMOs face narrow time frames within which their forms and rates must be approved by both state and federal regulators. The department is committed to processing filings in an expedited manner. To facilitate a timely review, and in light of the number of filings the department anticipates, the department urges health insurers and HMOs to make all necessary filings as soon as possible. Health insurers and HMOs should contact the department as issues or problems arise during this file and review process, so that the department may provide assistance in resolving these matters quickly.

As you may be aware, HHS has issued guidance for submission of Qualified Health Plans.

Please see the sample letter posted at:

<https://sites.google.com/a/wyo.gov/doi/files/2013%20Wyoming%20Issuer%20Letter.pdf?attredirects=0&d=1>

Geographic Rating Areas

Federal regulations recently adopted by the U.S. Department of Health and Human Services establish geographic rating areas for each state based on the number of metropolitan statistical areas (MSAs) in the state. The regulations established 3 geographic rating areas for Wyoming: one for each of the 2 MSAs located in Wyoming (Natrona and Laramie counties), and one additional geographic rating area that applies to all areas of the state not part of an MSA.

The federal regulations allow states to propose alternative geographic rating areas. Any proposed alternative geographic rating areas must be based on actuarial justification. Wyoming did not propose alternative geographic rating areas for 2014. The federal default of one rating area for each of the 2 MSAs in the state and one rating area comprising all non-MSAs in the state will apply for policies sold in the individual and small group markets in Wyoming. After 2014, Wyoming will have an opportunity to evaluate geographic rating areas.

Please see the Geographic Rating Area appendix here:

https://sites.google.com/a/wyo.gov/doi/files/WY_GeoRatingAreas.pdf?attredirects=0&d=1

Form and Rate Filing Assistance for New Market Entrants

The department recognizes that new entrants to the Wyoming insurance marketplace may need additional support in preparing filings for state review. The department's accident and health form checklist can be found at <https://sites.google.com/a/wyo.gov/doi/industry/health-insurers/rate-and-forms>.

You should direct questions regarding this bulletin to: Brenda Patch at brenda.patch@wyo.gov.

