



FLORIDA OFFICE OF  
INSURANCE REGULATION

## NOTICE TO INDUSTRY

**TO: All insurers authorized to write life & health insurance products in Florida, including those writing supplemental products**

The following information is provided as guidance to insurers about the form and rate filing process in Florida for life and health insurance products, mainly Patient Protection and Affordable Care Act (PPACA) compliant products in the small group and individual markets. This overview is intended to assist the industry in understanding the filing process and deadlines, as well as to provide insight into how the Office of Insurance Regulation (OIR) will allocate resources to meet federal timeframes. In the event new federal regulations or guidelines are implemented, this guidance may be subject to change.

While the OIR will continue to process life and health filings unrelated to PPACA (e.g., long-term care, Medicare supplement, annuity products) during the June to August timeframe, companies are requested to delay making any non-essential filings of these types during this period to allow analysts time to focus on the PPACA filings.

### PPACA Filing Deadlines

Per the United States Department of Health and Human Services (HHS) [Notice of Benefit and Payment Parameters for 2022](#) and guidance within the [2022 Letter to Issuers in the Federally-facilitated Marketplaces](#), the filing submission deadline for PPACA-compliant products (including stand-alone dental plans) in the individual and small group markets is **June 16, 2021. This deadline is applicable for products sold both on and off exchange.**

Additionally, the OIR must complete its review of filings with Qualified Health Plans (QHP) in the risk pool by **August 18, 2021**. Filings will be processed in the order they are received, and there will be no “expedited” status granted to any filings.

### Review Timeframe

The OIR is required by section 627.410(2), Florida Statutes (F.S.), to take action on a filing within thirty (30) days of receipt of the form and/or rate filing, with an option to extend this statutory review deadline by another fifteen (15) days. The anticipated filing volume and short review window will likely result in the OIR requiring companies to respond very quickly to requests for information or explanations regarding a filing. Providing complete and clear information in a filing and responding quickly to OIR requests will facilitate the timely review of all filings.

## Information to be Filed

The information requested in this notice should be submitted at the time of filing. Some of the information is not required to be initially submitted to make a complete filing. However, the OIR may require it to be submitted after filing pursuant to section 624.26(2), F.S., and Rule 69O-149.021(6)(c), Florida Administrative Code (FAC). In order to streamline the review process, the issuer is encouraged to submit the information at the time of filing.

Pursuant to Rules 69O-149.002 and 69O-191.051(1), FAC, changes made to a form shall be filed with the OIR and the filing shall include a rate filing or an actuarial certification that the form change does not require a change of rates. In addition, according to the [2022 Letter to Issuers](#), an issuer must submit the Unified Rate Review Template for all single risk pool plans, including plans with rate increases, rate decreases, no rate changes, and new plans. Therefore, a rate filing will be required for all PPACA-compliant products.

## Forms Information

Insurers should file all plan documents for the upcoming plan year. No forms revisions for the 2022 plan year will be accepted after the final federal approval deadline. Insurers should not file non-PPACA (transitional/grandfathered) plans in the same filing as PPACA-compliant plans.

The following is required for a form filing:

- Detailed Cover Letter
- Contract/Policy
- Application/Enrollment Form
- Certificate (if applicable)
- Schedule of Benefits (if separate document and not embedded in the policy/contract)
- Readability Certification
- Riders/Addendums/Endorsements (if applicable)

The OIR has developed worksheets to assist companies making PPACA-compliant form filings. In order to expedite the review process, the OIR encourages companies to download, complete, and upload the applicable worksheet(s) as a part of the form filing submitted to the OIR via IRFS. The worksheets may be downloaded from the OIR [website](#). The worksheets may not contain all of the PPACA requirements. The OIR offers these worksheets as guidance only and the use of them is voluntary.

## Rates Information

The OIR is also taking into consideration the tight timeframe in the rate review process and is thus providing a preliminary rate clarification letter for issuers to answer located in the link below. Upon initial submission of the filing, please submit numbered responses to the following questions in a separate document.

## Initial Filing Questions

### **Templates to be Submitted**

An issuer should submit the following templates to the OIR as part of an issuer's Florida filing:

- Plan Data Template\*
- ACA Experience Template
- HIV/AIDS Template (See HIV/AIDS Formulary)
- Drug Attestation (See Drug Formulary Attestation)
- Mental Health Parity Attestation
- Federal QHP Plans and Benefits Template
- Federal Prescription Drug Template
- Federal Unified Rate Review Template
- Federal Crosswalk Template
- Federal Summary of Benefits and Coverage
- Federal Business Rules Template
- Federal Network ID Template
- Federal Essential Community Providers/Network Adequacy Template
- Federal Rate Data Template
- Federal Service Area Template

*\*The Plan Data Template will need to be populated during the IRFS filing process. The template will be validated in IRFS against Federal Templates. A separate component has been created in IRFS specifically for the Federal Rate Data Template. When filing, allow yourself sufficient time to correct any errors or issues which might arise during the validation process.*

### **Drug Formulary Attestation**

Per the final [Notice of Benefit and Payment Parameters for 2022](#), OIR continues to be charged with the preliminary enforcement authority to monitor a plan's drug formulary and ensure the plan's benefit design is not unfairly discriminatory. In order to facilitate the OIR's review of a plan's drug formulary, an officer or director of the issuer may submit an attestation with its filing confirming the policy form's compliance with 45 C.F.R. § 156.122, regulating Prescription Drug Benefits, and 45 C.F.R. § 156.125, Prohibiting Discrimination, as well as an explanation of how the insurer has determined that its coverage of HIV/AIDS medications and medications for other chronic conditions (see next Section below) is substantially similar to the safe harbor plan or is otherwise compliant with Florida and federal law.

The OIR is prohibited from certifying a plan to be included on the Federally-facilitated Marketplaces if the OIR knows that the plan employs a drug formulary discriminatory in benefit design, benefit implementation, or medical management techniques.

The attestation referenced above is available on the OIR website by clicking here: [Drug Formulary Attestation](#)

## **HIV/AIDS Formulary**

For the 2022 plan year, the OIR will continue to monitor the coverage of medications for those living with HIV/AIDS. Sections 627.429 and 641.3007, F.S., specifically prohibits treating those living with HIV/AIDS less favorably than any other condition. Designing benefits or drug formularies that limit access to drug regimens for HIV/AIDS violates these statutes.

A health plan is required to be substantially similar in its scope of benefits to the state's benchmark plan and may not unfairly discriminate in benefit design, in the implementation of its benefit design, or medical management technique.

The OIR will consider a health plan's formulary compliant with these provisions of Florida and federal law if the tiered formulary of HIV/AIDS medications is at least as favorable as the safe harbor plan.

The safe harbor referenced above is available on the OIR website by clicking here: [HIV/AIDS Formulary Template](#)

Compliance with the safe harbor guidelines is not mandatory. However, the OIR is prohibited from certifying a plan to be included on the Federally-facilitated Marketplaces if the OIR knows that the plan employs a drug formulary discriminatory in benefit design, benefit implementation, or medical management techniques. Additionally, the OIR will disapprove any plan it finds violates sections 627.429, 641.3007, or 641.31(3)(c)6., F.S.

## **Emergency Room Coverage**

Sections 627.6405, 627.662, and 641.31097, F.S., respectively provide health insurers and health maintenance organizations a mechanism to discourage the inappropriate use of emergency departments for nonemergency care. Carriers and HMOs may require higher copayments for urgent care or primary care provided in an emergency department and may require higher copayments for use of out-of-network emergency departments. Florida Statutes prohibit charging higher copayments for the use of the emergency department for emergency care, as defined in section 395.002, F.S., and services provided to rule out an emergency medical condition.

## **Mental Health and Substance Use Disorder Benefits and Parity Coverage Requirements**

Carriers are reminded that all individual and small group health plans shall at minimum include coverage for the essential health benefit categories identified in Section 1302(b) of PPACA. One category of essential health benefits is mental health and substance use disorder services, including behavioral health treatment.

The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), as amended by the Affordable Care Act, generally requires that group health plans and health insurance issuers offering group or individual health insurance coverage ensure that financial requirements and treatment limitations on mental health and substance use disorder benefits be provided in a manner that is no more restrictive than those applied to medical and surgical benefits. (See 78 F.R. 68240 (November 13, 2013)).

In order to facilitate the OIR's review, an officer or director of the issuer shall submit an attestation with its filings confirming the insurer's compliance with applicable mental health parity requirements, as well as an explanation and demonstration of how the insurer has determined that is in compliance with the requirements and any supporting documentation. The attestation form is available at [Mental Health Parity Attestation](#).

## **Telemedicine**

All health insurers, health maintenance organizations, and other health entities are encouraged to broaden access telehealth services to help alleviate hurdles for Floridians attempting to utilize telehealth services to receive needed care, as defined in section 456.47(1)(a), Florida Statutes. OIR believes innovative use of technology can provide Floridians more options to receive critical care.

Following OIR's Informational Memorandum issued April 6, 2020, in response to COVID-19, OIR has seen broadened access to telehealth services across the industry in Florida and heightened engagement from the provider community. OIR will continue to engage with industry to encourage innovation in plan design.

## **Treatment of Covid-19 in Rating Process**

Rates submitted in the initial filing should include all factors and considerations for the projected impacts of COVID-19 on rates for plan year 2022. Please again submit a separate exhibit in Excel detailing the company's COVID-19 rating factor, and provide a detailed description of the methodology used to develop the factor as requested in the initial filing questions located on the OIR [website](#).

Additionally, the OIR is asking that 2020 claims experience be submitted both as is, and normalized. The OIR will be asking for this experience in the ACA Experience Template.

Normalized 2020 claims experience will consist of two things:

1. The removal of claims cost due to Covid-19
2. The addition of estimated amount of claims that were deferred by the pandemic

Further instructions will be provided in an updated version of the ACA Experience Template.

## **Smoking Surcharge**

Please note that federal law prohibits the sale of tobacco products to any person under the age of 21 in accordance with FFDCA § 906(d)(5) and 21 U.S.C. § 387(f)(d)(5). Going forward, carriers are advised to remove any tobacco charge in pricing to enrollees below the age of 21. Issuers must still comply with the methodology in 45 CFR 147.102.

## **Experience Pooling**

In accordance with section 627.410(6)(e)3., F.S., and Rule 69O-149.003(1)(a), FAC, the experience of all non-grandfathered health insurance policy forms in a rate filing that provide similar benefits, whether open or closed, shall be combined unless otherwise permitted. This requirement applies to health insurance policies, including dental policies.

## **Taxes and Fees**

The Health Insurer Tax set forth in PPACA Section 9010 and 26 C.F.R. § 57 has been repealed. Therefore, plans should not reflect the tax in their rate filings.

## **Experience Reporting**

Please provide historical experience since 2018 on a *quarterly* basis. All experience exhibits should be filed in Excel with active formulas for all calculated values and projections. Historical and future Florida experience should be provided in the format outlined in Rule 69O-149.006(3)(b)23., FAC. Please note the Sample Experience Exhibit has been added to the [Data Template](#). Please fill out the fourth tab of the Data Template.

## **Rate Collection System**

The data collection template is generated during the IRFS filing process and must be completed before submitting the filing for review. When filing, allow sufficient time to complete this information before the deadline.

## **Guaranteed Renewable Insurance and Uniform Modifications of Coverage**

Changes to plans and products may be made only in accordance with the HHS Uniform Modification of Coverage regulations or the state and federal guaranteed renewability regulations.

If a change in coverage is not a Uniform Modification of Coverage, the guaranteed renewable provisions in sections 627.6425, 627.6571, and 641.31074, F.S., will apply.

## **Transitional Policies**

On January 19, 2021, CMS extended the transitional policy for non-grandfathered coverage in the small group and individual health insurance markets to policy years beginning on or before October 1, 2022, provided that all transitional policies end by December 31, 2022.

The OIR will work with any company that chooses to continue coverage in accordance with the transitional policy to facilitate the continuation of coverage for Floridians in accordance with the [January 19 CMS bulletin](#) or any additional extensions by CMS, if applicable.

## **Medicare Supplement Refund (MSR) filings**

As the May 31st deadline approaches for Medicare Supplement Refund (MSR) filings, the Office would like to notify carriers of the preferred templates for reporting refund or credit calculation information. The Office highly recommends that submitted filings include the updated versions of OIR-B2-MSR and OIR-B2-MSB in “.xlsx” format. These files are found under “Annual Medicare Supplement Refund Calculation Report” of the OIR website ([https://www.floir.com/Sections/LandH/ProductReview/is\\_lhfr\\_AddRfilCerRep.aspx](https://www.floir.com/Sections/LandH/ProductReview/is_lhfr_AddRfilCerRep.aspx)) and are titled: “Reporting Forms for the Calculation of Benchmark Loss Ratio since Inception – All Forms” and “Medicare Supplement Refund Calculation Form – All Forms”. The templates are standardized and include all Medicare Supplement plan options. Utilizing the recommended templates will improve efficiency during the review process and promotes consistent templates for data reporting.

For additional questions or concerns related to MSR filings, please contact Justin Biro at [Justin.Biro@floir.com](mailto:Justin.Biro@floir.com).

For questions related to any of the above information, please contact the following staff:

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