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BULLETIN 12-10

Date: June 11, 2012

To: **Insurers, Nonprofit Health Service Plans, Association Plans and Health Maintenance Organizations (“Carriers”) Providing Health Benefit Plans in Maryland**

Re: **Rate Filing Requirements for the Individual and Small Employer Group Markets**

The purpose of this bulletin is to inform carriers providing Health Benefit Plans of changes to the rate filing process for the individual and small employer group markets. The Patient Protection and Affordable Care Act requires that Preliminary Justification Forms I and II be submitted to the Department of Health and Human Services (HHS) for any rates that are deemed “subject to review.” The Maryland Insurance Administration has decided to require these forms, as well as a consumer friendly summary document, for all rate change filings, regardless of the percentage of change, in the individual and small employer group markets. Per the final rule issued by HHS in September of 2011, the definitions of “individual market” and “small group market” that apply for rate review purposes include coverage sold to individuals and small groups through associations.

These forms will be posted on the Administration’s website for public inspection and consumer comment. This will be done to promote transparency to the public of all rate change filings.

Effective Dates:

Preliminary Justification Forms I and II and a consumer friendly summary are required to be filed with all rate filings submitted on or after:

- July 1, 2012, for the individual market; and
- January 1, 2013, for the small group market.

Instructions for obtaining Preliminary Justification Forms I and II can be found on Center for Consumer Information and Insurance Oversight’s website at the following link:

<http://cciio.cms.gov/resources/files/Files2/hiosinstructionmanual091411.pdf.pdf>

The information that must be included in the consumer friendly summary is as follows:

1. Company Name
2. Product Name
3. NAIC Number

4. The average rate change will be XX%.
5. The range of premium rate changes for Maryland insureds is XX% to XX%.
6. The effective date of the increase will be XX/XX/XXXX.
7. This increase will affect XX people.
8. The primary factors driving this change in premium rates are XXX.
9. The last three rate changes for this product were for XX% on (Insert Date), XX% on (Insert Date), and XX% on (Insert Date).

Details about the process for submitting Preliminary Justification Forms I and II and the consumer friendly summary will be forthcoming in another bulletin.

Questions about this bulletin can be directed to the Office of the Chief Actuary at the Maryland Insurance Administration at 410-468-2041.

Signature on original _____

Dennis Yu
Chief Actuary