

# Chapter 9: Instructions for the Service Area Application Section

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## 1. Overview

To satisfy the county integrity requirements under 45 *Code of Federal Regulations* (CFR) 155.1055, issuers must identify proposed service areas in their Qualified Health Plan (QHP) Application. In almost all situations, the Department of Health and Human Services (HHS) will only approve service areas covering full counties. In the rare case in which the issuer asks to cover a service area containing a partial county, it must provide the included ZIP codes, a justification for why the entire county will not be served, and a detailed description that illustrates why the request is not discriminatory.

In this section of the QHP Application, issuers identify their service areas by state and county. Additional information about how to use the QHP Application system and other Marketplace-related information can be found at <http://cciio.cms.gov/programs/exchanges/qhp.html>.

## 2. Purpose

This chapter guides issuers through completing the Service Area section of your QHP Application.

## 3. Service Area Data Requirements

To complete this section, you need the following information:

1. HIOS Issuer ID
2. Issuer state
3. Names of counties the issuer proposes to cover, when it elects not to include an entire state in its service area

4. If partial county coverage is being requested,
  - a. the ZIP codes included in the service area, and
  - b. partial county justification.

#### 4. Application Instructions

The Service Area section of the QHP Application is composed of two parts: (1) an Excel template for identifying the counties in the issuer's service area and their associated ZIP codes (if partial counties are identified),<sup>1</sup> and (2) a detailed partial county justification, as applicable. Figure 9-1 shows key items in these instructions for completing the Service Area section.

**Figure 9-1. Service Area Section Highlights**

- Download the latest version of the Service Area Template from <http://cciio.cms.gov/programs/exchanges/qhp.html>.
- Using the correct template version is critical. The current and correct version of template includes 2015 in the banner.
- To initiate the template to allow data entry, enable template macros using the **Options** button on the Security Warning toolbar, and select **Enable this content**.
- If you are a registered Health Insurance Oversight System (HIOS) user, your template may have prepopulated fields that are highlighted in yellow and cannot be changed.
- All header fields in the template marked with an asterisk (\*) are required.
- When entering state and county names, you must select from the drop-down menu. Once macros are enabled, the counties appear in the drop-down box for column D after *Issuer State* has been entered. If your service area counties do not appear in the drop-down menu, please contact the help desk at 855-CMS-1515 or via e-mail at [CMS\\_FEPS@cms.hhs.gov](mailto:CMS_FEPS@cms.hhs.gov).
- Begin entering information on the first available blank row (row 13, column A). Validation errors occur if the template contains blank rows.
- Any fields in row 13 or below that are grayed out do not allow input after you have provided the required information. Do not attempt to input information into any of the grayed-out fields.

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<sup>1</sup> The columns to enter these data appear in the Excel template when you select "Yes" for column E.

- Dual product issuers offering QHPs and dental plans must create two different Service Area IDs for use with the two plan types regardless of whether the service area is intended to serve both QHPs and dental plans. Dual product issuers must use the word “dental” in the service area name for their dental service area to distinguish the QHP service area from the dental service area.
- If you plan to serve a partial county, you must submit a detailed justification with your QHP Application.
  - In column G of the template, enter the justification document file name, using the following naming convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.doc.”
  - Upload the justification document using the **Other Supporting Documents** upload function in the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system.
- QHP issuers may not change their service area after their initial submission except via petition to CMS. Changes must be approved by the state, and only under very limited circumstances (such as data errors in the initial submission).

All issuers must complete the Service Area Template and any required supporting documentation. Dual product issuers should use the same template for both their QHPs and stand-alone dental plans (SADPs) (see Section 4.3). When the template is completed, issuers must upload it and the justification document, if applicable, to the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system.

#### 4.1 Template Instructions

Using the 2015 version<sup>2</sup> of the template downloaded from the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system, follow the instructions below to complete the Service Area Template. Figure 9-2 shows a sample completed Service Area Template.

**Figure 9-2. Completed Service Area Template**

	A	B	C	D	E	F	G
1	<b>2015 Service Area v4.0</b>	<i>All fields with an asterisk (*) are required</i>					
2	<input type="button" value="Validate"/>	<i>To validate, press the Validate button or Ctrl + Shift + V. To finalize, press the Finalize button or Ctrl + Shift + F</i>					
3		<i>Click Create Service Area IDs button (or Ctrl + Shift + S) to create service area ids based on your state</i>					
4	<input type="button" value="Finalize"/>	<i>Service Area IDs will populate in the drop-down box in Service Area ID column</i>					
5		<i>For each row, enter one County for that Service Area ID (unless the Service Area covers entire state)</i>					
6	HIOS Issuer ID: <sup>*</sup>	12345					
7	Issuer State: <sup>*</sup>	MD					
8							
9	<input type="button" value="Create Service Area IDs"/>						
10							
11	<b>Service Area ID<sup>*</sup></b>	<b>Service Area Name<sup>*</sup></b>	<b>State<sup>*</sup></b>	<b>County Name</b>	<b>Partial County</b>	<b>Service Area Zip Code(s)</b>	<b>Partial County Justification</b>
12	<small>Required: Enter the Service Area ID</small>	<small>Required: Enter the Service Area Name</small>	<small>Required: Does this Service Area cover the entire state?</small>	<small>Required if State is "No": Select the County - FPS this Service Area covers</small>	<small>Required if State is "No": Does this Service Area include a partial county?</small>	<small>Required if Partial County is "Yes": Enter the zip codes in this county that are covered by this Service Area</small>	<small>Required if Partial County is "Yes": Enter a Justification of why all of the zip codes are not included in this service area.</small>
13	MDS004 Service Area Four		Yes				
14	MDS001 Service Area One		No	Cecil - 24015	Yes	21921, 21919, 21911	12345-PartialCounty-MDS001-Cecil
15	MDS001 Service Area One		No	Harford - 24025	No		
16	MDS001 Service Area One		No	Baltimore - 24005	No		
17	MDS001 Service Area One		No	Kent - 24029	Yes	21661, 21620, 21645, 21678	12345-PartialCounty-MDS001-Kent
18	MDS002 Service Area Two		No	Dorchester - 24019	No		
19	MDS003 Service Area Three		No	Prince Georges - 24033	Yes	20785, 20786, 20784	12345-PartialCounty-MDS001-PG

<sup>2</sup> The 2015 version of the template must be used. The banner section of each template will specify 2015.

Complete the following required fields in the Service Area Template for each of the proposed service areas.

1. Enable template macros using the **Options** button on the Security Warning toolbar, and select **Enable this content**. If macros are not enabled before entering data, the template will not recognize your data and you will have to reenter it.
2. *HIOS Issuer ID* (required). Enter your five-digit HIOS issuer ID, if not prepopulated.
3. *Issuer State* (required). Select the state in which you propose to offer coverage using the drop-down menu.
4. *Service Area ID* (required). The service area of a QHP is the geographic area in which an enrollee could access services and be covered under that particular QHP. Issuers identify their service areas by state or by counties within a state. A service area can be associated with multiple plans. A different Service Area ID is not required for each product within a county. Dual product issuers offering QHPs and dental plans must create two different Service Area IDs for use with the two plan types regardless of whether the service area is intended to serve both QHPs and dental plans (see Section 4.3). Click the **Create Service Area IDs** button at the top of the Service Area Template. Service Area IDs must be generated by the template.
  - a. Enter the issuer's total number of service areas for the identified issuer state. Each plan must be associated with a single Service Area ID, but a Service Area ID can be associated with multiple plans. The template automatically adds Service Area IDs to the Service Area ID drop-down menu. For example, if you enter 3 for the total number of service areas, the template automatically generates three Service Area IDs. However, if your proposed service area covers the entire state, enter 1 for the number of service areas. The Service Area ID consists of the state abbreviation plus an "S" and then a sequenced number (MDS001 or MDS002, for example).
  - b. In the first available blank row after the header (row 13), use the drop-down menu to select a Service Area ID.
5. *Service Area Name* (required). Enter a name for the service area selected. It may be helpful to name the service area so that it identifies a plan characteristic, such as health maintenance organization (HMO), or the actual plan name. Dual product issuers must use the word "dental" in the service area name for their dental service area to distinguish the QHP service area from the dental service area.
6. *State* (required). Use the drop-down menu to indicate whether the service area covers the entire state. (The same Service Area ID cannot be used for a service area that covers the entire state and for a service area that covers only certain counties in the state.) Choose from the following:
  - a. **Yes**—if the service area includes the entire state. No additional information is required for the identified service area. Continue adding service areas, and counties as

appropriate, until all service areas have been identified. Once all service areas have been entered, go to step 12.

- b. **No**—if the service area includes only certain counties in the state. In step 7, you must provide county and ZIP code information, as applicable, for the identified service area.
7. *County Name*. If you indicated that the identified service area does not cover the entire state (step 6b), use the drop-down menu to select the name of the county included in the identified service area. **If a service area includes multiple counties, you must add a new row for each new county, using the same Service Area ID and service area name.**
8. *Partial County*. Use the drop-down menu to indicate whether the service area covers the entire county. Choose from the following:
  - a. **Yes**—if the service area covers only part of the county. If **Yes** is selected, an informational box appears showing HHS’s partial county policy. Select **OK**. **A *Partial County Justification* column appears on the template. You must provide a justification for all service areas that include partial counties.**
    - i. In the *Partial County Justification* column (G), enter the partial county justification file name. You must use the following naming convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.doc.”
    - ii. This detailed partial county justification must be uploaded using the **Other Supporting Documents** upload function in the Benefits and Service Area Module (see Section 4.2).
  - b. **No**—if the service area includes the entire county. No additional information is required for the identified county. Continue adding service areas, and counties as appropriate, until all service areas have been identified. If all service areas and counties have been entered, go to step 12.
9. *Service Area Zip Code(s)*. If you indicated that the identified county (step 8a) is only partially covered, enter the five-digit ZIP codes included in the partial county you identified. If entering more than one ZIP code, use a comma to separate each ZIP code. The ZIP codes entered are validated after the template is uploaded and processed.
10. *Partial County Justification*. Enter the partial county justification file name using the following naming convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.doc.”
  - a. A detailed justification is required for all partial counties identified. Use the **Other Supporting Documents** upload function in the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system to submit your detailed justification (see Section 4.2).

- b. If you have multiple partial county justifications, you may combine them all into one document that clearly distinguishes a justification for each service area ID, county, and ZIP code group combination. If you combine all partial county justifications into one document, you must use the following naming convention: [Issuer ID]-Partial County, for example, “12345-Partial County.doc.”
11. If you wish to add additional service areas or counties in the template, repeat steps 5–10 until all service areas have been identified. Once all service areas and counties have been entered, go to the next step.
12. Click the **Validate** button in the template. The template identifies any data issues that require attention. Resolve any identified errors and click **Validate** again. Repeat until all errors are resolved.
13. Click the **Finalize** button in the template to create the template document to be uploaded. The function creates an XML file. It is also recommended to save the template to your hard drive as an XLSM.
14. Save the XML file using your default drive or store the file where you will be able to find it to upload to the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system.
15. Upload the completed Service Area Template in the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system.

#### 4.2 Supporting Documentation Instructions

These instructions apply to any issuers that include partial counties in any of their service areas. If one or more of your service areas includes a partial county, you must submit a detailed justification document describing why the entire county will not be served. For each requested exception, the justification must outline why the partial county is necessary, non-discriminatory, and in the best interest of potential enrollees and the Marketplace program, consistent with 45 CFR 155.1055.

Justifications that HHS may find acceptable include the following:

1. The applicant cannot establish a provider network to make healthcare services available and accessible to beneficiaries residing in the excluded portion of the county.
2. Provider sponsored organization—licensed entities or other types of licensed healthcare delivery systems may have a healthcare network that is structurally or contractually limited to one part of a county and cannot be readily extended to encompass an entire county for legal, contractual, or licensure-related reasons.
3. A section or sections of a county may have a demonstrably insufficient number of providers (or insufficient additional patient or service capacity among existing providers) to ensure access and availability to covered services.

4. Geographic features, such as mountains, large water barriers, and other terrain features, as well as exceptionally large counties, are generally recognized by HHS as potentially creating situations where the documented patterns of care in the county justify less than a complete county because covered services are not available and accessible throughout the entire county.
5. The applicant cannot establish economically viable contracts with sufficient providers or types of providers to serve an entire county.

A justification based on one of the above examples does not ensure that HHS will approve the request to cover the partial county. Partial county requests are only granted in extraordinary circumstances, and the issuer must demonstrate that the request to cover a partial county is not discriminatory.

**After creating your justification, upload the document as follows:**

1. Name the justification file using the following convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.doc.”
2. Upload the document in the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application system using the document upload functionality. Select the document type **Other** from the *Document Type* drop-down menu.

#### **4.3 Service Area Examples**

A QHP must always be associated with a single Service Area ID and with a single Network ID, but networks and service areas may be used for multiple QHPs. The issuer creates one template for all of its service areas and identifies each service area with a unique Service Area ID. The issuer also completes the Network ID Template and creates a unique Network ID for each network. When the issuer completes the Plans & Benefits Template, it maps each plan to a specific Service Area ID and Network ID as entered in the Service Area and Network ID Templates.

Service Area IDs and Network IDs may both be used for multiple plans and do not have to correspond one to one (for example, an issuer may have a single state-wide network, identified with a Network ID, assigned to all of its plans, but have two Service Area IDs, each made up of half the state and each assigned to a different plan).

- **Example 1—Developing the Service Area.** When deciding how to establish your service areas, consider existing healthcare delivery. If people in a rural county generally travel a long distance to see a healthcare provider or dentist and the distance is consistent with practices permitted by the state, it may not be necessary to have a contracted provider in all parts of the rural county. In these cases, issuers may want to consider establishing a service area for the entire state, giving members in the more rural part of the county the option to see providers in other ZIP codes. Alternatively, an issuer may elect to exclude an entire county from its service area if no providers are available in the excluded ZIP codes.

- Example 2—Service Area IDs 1. An issuer has five plans and four service areas. The first plan has a service area (SA001) that covers the entire state. The second and third plans have a service area (SA002) that covers counties A and B. The fourth plan has a service area (SA003) that covers counties C and D. The fifth plan has a service area (SA004) that covers counties A, B, C, and D.
- Example 3—Service Area IDs 2. A QHP (and, therefore, a standard component ID) must always be associated with a single Service Area ID and with a single Network ID, but networks and service areas may be used for multiple QHPs. If you offer coverage in five different areas, you may offer coverage as one QHP or five QHPs:
  - In the single-QHP option, define the service area as the set of counties making up the five areas and define a single Service Area ID including all of these geographical areas.
  - In the multi-QHP option, define five separate service areas and associate each QHP with one of them.
  - If you want to define a QHP as having five separate service areas rather than one service area made up of five separate geographic areas, use the multi-QHP option with different component IDs for the different QHPs.
- Example 4—Dual product issuers. Dual product issuers should use a single Service Area Template to lay out all service areas they plan to use for both QHPs and dental plans. Each QHP or dental plan must have a single Service Area ID, but a Service Area ID can be used for multiple QHPs or dental plans. Create one service area for every unique combination of counties that one or several of your QHPs or dental plans will serve. If you intend to offer both QHPs and dental plans in a service area, you must create two different Service Area IDs for use with the two plan types. Dental service area names must use the word “dental” in the service area name to distinguish it from the QHP service area.
- Example 5—Partial Counties. If the entire ZIP code is covered, but it runs over two counties, it is not considered a partial county request. ZIP codes do not need to be entered in the template if the service area covers the entire county. No partial county justification needs to be provided.
  - If a ZIP code extends from a full county to a partial county, enter it only for the partial county list. In this case, a partial county justification is required.
  - If the ZIP code extends from one partial county to another, enter it under both counties. Partial county justifications are required for both partial counties.
- Example 6—Offering a plan and rates for only a portion of a rating area. The Marketplace does not require an issuer’s service area to cover a complete rating area. However, issuers are also bound by state service area requirements, so they should



carefully review their state's guidance on this topic to ensure their proposed service areas comply with state requirements.

Multiple rating areas are allowed within a service area as specified by the state. Separate Service Area IDs are not required even if a service area is made up of multiple rating areas.

- Example 7—Pharmacy benefits. The issuer is responsible for ensuring that pharmacy benefits are available in its proposed service area, even if the issuer uses a contracted vendor for pharmacy services.