

Chapter 4: Instructions for the Good Standing Application Section

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1. Overview

Issuers must demonstrate compliance with all applicable state solvency and regulatory requirements. In this section of the application, issuers indicate their good standing status. An issuer must be licensed in the state for which it is applying in order to satisfy the good standing standard. If issuers do not comply with the good standing standard, they must furnish supporting documentation, as described below.

Both qualified health plan (QHP) and stand-alone dental plan (SADP) issuers are required to submit licensure information as part of their QHP Application. All of the instructions in this document apply to both QHP and SADP issuers.

2. Purpose

The purpose of the Good Standing section of the QHP Application is to collect information and supporting documentation related to each issuer’s good standing within the states and QHP markets in which the issuer is applying for certification.

3. Good Standing Data Requirements

To complete this section, issuers that do not comply with the good standing standard need the following information:

1. If applicable, a description of how you will comply with state solvency requirements
2. If applicable, a description of how you will respond to corrective actions.

4. Application Instructions

To complete this section of the application, use the Issuer Module of the QHP Application system to respond to the good standing questions and, as applicable, upload supporting documentation.

Figure 4-1 identifies key items to note when completing the Good Standing section.

Figure 4-1. Good Standing Section Highlights

- If you do not comply with the state solvency requirements or you are under corrective action related to financial review, you must furnish supporting documentation and provide a justification.
- Details regarding the supporting documentation and justification requirements follow.

4.1 Health Insurance Oversight System (HIOS) User Interface Instructions

Use the Issuer Module of the QHP Application System to answer the following questions:

1. Is the applicant seeking QHP certification for this state currently out of compliance with any applicable state solvency requirements for the calendar year in which it is applying to offer QHPs? Choose from the following:
 - a. **Yes**—if the applicant does not comply with state solvency requirements. If **Yes** is selected, supporting documentation and a justification are needed. See Section 4.3 for the supporting documentation instructions.
 - b. **No**—if the applicant complies with state solvency requirements. If **No** is selected, proceed to the next question.
2. Is the applicant currently under any corrective action related to financial review? Choose from the following:
 - a. **Yes**—if the applicant is under corrective action related to financial review. If **Yes** is selected, supporting documentation and a justification are needed. See Section 4.3 for the supporting documentation instructions.
 - b. **No**—if the applicant is not under corrective action related to financial review. If **No** is selected, proceed to the next section of the application.

4.2 Template Instructions

There is no template for the Good Standing section.

4.3 Supporting Documentation and Justification Instructions

Issuers that do not comply with the good standing standard must submit supporting documentation and a justification. If an issuer complies with state solvency requirements and is not under any corrective action related to financial review, no supporting documentation or justification is required.

1. If the response to question 1 is **Yes** (you do not comply with state solvency standards), you must upload a description of how you intend to comply and provide a justification for noncompliance.

- a. The description should include the following:
 - i. A list of solvency requirements with which the issuer currently does not comply
 - ii. A detailed explanation of the plan to comply
 - iii. The time frame for complying.
 - b. Save the description using the title of the document (such as State Solvency Description) and associated issuer ID (to the extent possible). The file name—including its full path—cannot exceed 255 characters when uploaded into the Issuer Module of the QHP Application System. Upload the description.
 - c. The justification should explain the conditions that caused the issuer to become financially insolvent (such as insufficient premium income or catastrophic medical expenses).
2. If the response to question 2 is **Yes** (you are under corrective action), you must upload a description of how you intend to respond to corrective actions and provide a justification.
- a. The description should include the following:
 - i. A list of corrective actions issued
 - ii. A detailed explanation of the plan to respond to corrective actions
 - iii. The time frame for implementing the corrective actions plan.
 - b. Save the description using the title of the document (such as Corrective Action Plan) and associated issuer ID, to the extent possible. The file name—including its full path—cannot exceed 255 characters when uploaded into the Issuer Module of the QHP Application System. Upload the description.
 - c. The justification should explain how a corrective action plan or equivalent document will address the issues identified by the state.