

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 supplemental response for why the entire county will not be served, a detailed description that illustrates why the request is not discriminatory, and evidence from the appropriate state regulator indicating that the partial county is approved by the state.

In this section of the QHP Application, issuers identify the service areas that will be associated with their QHPs by state and county. Both QHP and stand-alone dental plan (SADP) issuers are required to submit the Service Area template 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 Service Area section of the QHP application template is to collect information pertaining to the geographic area by state and county in which enrollees can access health services for a QHP or SADP. This chapter guides issuers through completing the Service Area section of your QHP application.

3. 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,
 - b. the partial county supplemental response (the recommended form is available at <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/qhp.html>), and
 - c. evidence from the appropriate state regulator indicating that the partial county is approved by the state.

4. Application Instructions

The Service Area section of the QHP application is composed of three 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),¹ (2) using the recommended form, a detailed partial county supplemental response, as applicable, and (3) evidence from the appropriate state regulator indicating that the partial county is approved by the state, as applicable. Figure 9-1 shows key items in these instructions for completing the Service Area section.

¹ The columns to enter this data appears in the Excel template when you select "Yes" for column E.

Figure 9-1. Service Area Section Highlights

- Instructions for this chapter apply to both QHP and SADP issuers.
- 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.
- 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.
- 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 supplemental response and evidence from the appropriate state regulator indicating that the partial county is approved by the state with your QHP application.
 - The recommended supplemental response form is available at <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/qhp.html>.
 - Combine the supplemental response and evidence from the appropriate state regulator indicating that the partial county is approved by the state into one pdf document.
 - In column G of the template, enter the combined document file name, using the following naming convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.pdf.”
 - Upload the combined document (supplemental response and state approval) using the **Other Supporting Documents** upload function in the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application System.

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- 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. Issuers must submit a petition to make any type of changes to the Service Area Template *and* when changing the service area associated with a plan (changing the service area ID on the Plans & Benefits Template).
- Using the correct template version is critical to completing the Service Area section of the QHP application. The current and correct version of the template includes the 2016 in the banner. The latest version of the Service Area template is available from <http://cciio.cms.gov/programs/exchanges/qhp.html>.
- To initiate the template and allow data entry, enable template macros using the **Options** button on the Security Warning toolbar, and select **Enable this content**. Please refer to Appendix C for information on enabling macros.
- All header fields in the template marked with an asterisk (*) are required.
- If you are a registered HIOS user, your template may have prepopulated fields that are highlighted in yellow and cannot be changed.

All issuers must complete the Service Area template and any required supporting documentation. Dual product issuers should use the same template for both their QHP and SADP service areas (see Section 5). When the template is completed, issuers must upload it and the combined partial county document (supplemental response and state approval), if applicable, to the Plan & Benefit section of the Benefits & Service Area Module in the QHP Application System.

4.1 HIOS User Interface Instructions

The Service Area section of the QHP application has no user interface questions.

4.2 Template Instructions

Using the 2016 version² 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

Service Area ID*	Service Area Name*	State*	County Name	Partial County	Service Area Zip Code(s)	Partial County Justification
Required: Enter the Service Area ID	Required: Enter the Service Area Name	Required: Does this Service Area cover the entire state?	Required if State is "No": Select the County - FIPS this Service Area covers	Required if State is "No": Does this Service Area include a partial county?	Required if Partial County is "Yes": Enter the zip codes in this county that are covered by this Service Area	Required if Partial County is "Yes": Enter a Justification of why all of the zip codes are not included in this service area
MDS004	Service Area Four	Yes				
MDS001	Service Area One	No	Cecil - 24015	Yes	21921, 21919, 21911	12345-PartialCounty-MDS001-Cecil
MDS001	Service Area One	No	Harford - 24025	No		
MDS001	Service Area One	No	Baltimore - 24005	No		
MDS001	Service Area One	No	Kent - 24029	Yes	21661, 21620, 21645, 21678	12345-PartialCounty-MDS001-Kent
MDS002	Service Area Two	No	Dorchester - 24019	No		
MDS003	Service Area Three	No	Prince Georges - 24033	Yes	20785, 20786, 20784	12345-PartialCounty-MDS001-PG

² The 2016 version of the template must be used. The banner section of each template will specify 2016.

4.2.1 Entering Data

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.

Complete the following required fields in the Service Area template for each of the proposed service areas:

1. *HIOS Issuer ID* (required). Enter your five-digit Health Insurance Oversight System (HIOS) issuer ID, if not prepopulated.
2. *Issuer State* (required). Select the state in which you propose to offer coverage using the drop-down menu.
3. *Service Area ID* (required). The service area of a QHP or SADP is the geographic area in which an enrollee could access services and be covered under that particular plan. Issuers identify their service areas by state or by counties within a state. The service area does not have to be as large as the geographic area covered by the network associated with the plan. For example, an issuer could have a single state-wide network associated with three different plans, each offered in a service area covering only part of the 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 5). 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.
4. *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. The *Service Area Name* will not be displayed to the public on www.healthcare.gov.

5. *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.
6. *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*.**
7. *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 Department of Health and Human Services (HHS) partial county policy. Select **OK**. **A *Partial County Justification* column appears on the template. You must provide a supplemental response for all service areas that include partial counties and evidence from the appropriate state regulator indicating that the partial county is approved by the state.**
 - i. Combine the supplemental response and evidence from the appropriate state regulator indicating that the partial county is approved by the state into one pdf document.
 - ii. In the *Partial County Justification* column (G), enter the combined document 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.pdf.”
 - iii. This combined document must be uploaded using the **Other Supporting Documents** upload function in the Benefits and Service Area Module (see Section 4.3).
 - 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.

8. *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.
9. *Partial County Justification*. Enter the partial county combined document file name using the following naming convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.pdf.”
 - a. A detailed supplemental response is required for all partial counties identified. Combine the supplemental response and evidence from the appropriate state regulator indicating that the partial county is approved by the state into one pdf document. 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 response (see Section 4.3).
 - b. If you have multiple partial county supplemental responses, you may combine them all into one pdf document that clearly distinguishes a response for each service area ID, county, and ZIP code group combination. If you combine all partial county supplemental responses into one document, you must use the following naming convention: [Issuer ID]-Partial County, for example, “12345-Partial County.pdf.”
10. If you wish to add additional service areas or counties in the template, repeat steps 5–10 until all service areas have been identified.

4.2.2 Finalizing Template

Once you have completed the Service Area template, follow these steps to finalize the template:

1. Click the **Validate** button in the top left of the template. The validation process will identify any data issues that need to be resolved. If no errors are identified proceed directly to the 3rd step.
2. If the template has any errors, a Validation Report will appear within a pop-up box indicating the data element and cell location of each error. Correct any identified errors and click **Validate** again. Continue this process until all errors are resolved. Once the template is valid, proceed to the next step.
3. Click the **Finalize** button in the template. The **Finalize** function creates the XML file of the template that you need to upload in the applicable QHP Application System.
4. **Save** the XML template. It is recommended you save the validated template to your computer as both a standard Excel.XLSM file, and the finalized.XML file on your local computer in the same folder that contains the template.
5. Upload the saved file in the Service Area section of the Benefits and Service Area Module of the QHP Application System.

4.3 Supporting Documentation and Justification Instructions

4.3.1 Partial County Supporting Document

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 indicate that on your Service Area template and do the following:

1. Submit a detailed supplemental response substantiating why the entire county will not be served. (The specific questions to be answered are on the recommended form found at <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/qhp.html>. Failure to respond to *each* of these questions will result in the denial of the partial county request.)
2. Provide evidence of partial county authorization from the appropriate state regulator, such as an e-mail that lists the specific zip codes in the partial county requested, indicating that the partial county is approved by the state.

Partial county requests are only granted in extraordinary circumstances, and for each requested exception, the supplemental response must outline why the partial county service area is necessary, non-discriminatory, and in the best interest of potential enrollees and the Marketplace program, consistent with 45 CFR 155.1055.

After completing the supplemental response form, do the following:

1. Combine it with the state approval evidence in one pdf file.
2. Name the combined document file using the following convention: [Issuer ID]-Partial County-[Service Area ID]-[County Name], for example, “12345-Partial County-MDS001-Montgomery.pdf.”
3. Upload the combined 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.

5. Service Area Examples

A QHP or SADP 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 or SADPs. 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 supplemental response 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 supplemental response is required.
- If the ZIP code extends from one partial county to another, enter it under both counties. Partial county supplemental responses 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.