

Chapter 9: Instructions for the Service Area Application Section

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1. Overview

To indicate the geographic coverage of each QHP and to demonstrate compliance with 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. The service area of a QHP or stand-alone dental plan (SADP) is the geographic area in which an enrollee can access services and be covered under that particular plan.

In this section of the QHP Application, issuers identify the service areas associated with their QHPs by state and county. Both QHP and 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. Issuers may not change their service area after their initial submission except via petition to and during the time frame specified by Centers for Medicare & Medicaid Services (CMS). Changes must be approved by the state, and will be approved by CMS only under very limited circumstances.

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 covering a partial county, additional justification is required.

2. Purpose

The Service Area section of the QHP Application Template collects 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 the QHP Application.

3. Data Requirements

To complete this section, you will need the following information:

1. Health Insurance Oversight System (HIOS) Issuer ID;
2. Issuer state;
3. Names and IDs for proposed service areas to be associated with the issuers QHPs;
4. Names of counties that the issuer is applying to cover, if electing not to include an entire state in a service area;
5. ZIP codes in any county that the issuer is applying to cover, when electing not to include an entire county in a service area

4. Application Instructions

The Service Area section of the QHP Application comprises three parts:

1. A template for identifying the issuer's service area, and any included counties and ZIP codes as applicable, if the entire state is not covered;¹
2. A detailed partial county supplemental response, if applicable (the recommended form is available at <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/qhp.html>); and
3. If applicable, written evidence from the appropriate state regulator indicating that the partial county is approved by the state.

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.
- Using the correct template version is critical in completing the Service Area section of the QHP Application. The current version of the template includes 2017 in the banner. The latest version of the Service Area template is available from <https://www.cms.gov/ccio/programs-and-initiatives/health-insurance-marketplaces/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 enabling macros.
- All header fields in the template marked with an asterisk (*) are required.
- 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 also 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.
- When entering state and county names, you must select from the drop-down menu. Once macros are enabled, the counties will 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.
- If you are a registered HIOS user, your template may have prepopulated fields highlighted in yellow that cannot be changed.
- Begin entering information in 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.
- If you are completing the QHP Application in HIOS and 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. Issuers requesting to serve a partial county that file through the System for Electronic Rate and Form Filing (SERFF) must also submit a detailed supplemental response justifying the partial county, but do not need to submit additional evidence from the state. Successful transmission of your data will serve as state approval.
 - Combine the supplemental response, and, for issuers filing in HIOS, 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]_[State]_service_area_partial_county, for example, “12345_MD_service_area_partial_county.pdf.”

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- Upload the combined document (supplemental response and state approval) using the **Other Supporting Documents** upload function in the Plans & 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 during the time frame specified by CMS. Changes must be approved by the state, and should be requested only under very limited circumstances. Examples of changes that require a petition include but are not limited to: unintentional omissions, changes to service area names, removal of counties, removal of an entire service area, changing the service area ID, changes resulting from state denials of products, *and* when changing the service area associated with a plan [e.g., changing the Service Area ID associated with a plan on the Plans & Benefits Template]).

4.1 Establishing a Service Area

The service area of a QHP or SADP is the geographic area in which an enrollee can access services and be covered under that particular plan. Issuers identify their service areas by state or by counties within a state.

When deciding how to establish your service areas, consider existing healthcare delivery markets in the states that you are applying to offer plans. 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.

A service area can be associated with multiple plans. For example, 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.

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).

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.

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 SADP must have a single Service Area ID, but a Service Area ID can be used for multiple QHPs or SADPs. Create one service area for every unique combination of counties that one or several of your QHPs or SADPs will serve. If you intend to offer both QHPs and SADPs 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.

Finally, 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.

4.2 HIOS User Interface Instructions

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

4.3 Template Instructions

Using the 2017 version of the template downloaded from the Plans & Benefit section of the Benefits & Service Area Module in the QHP Application System,² 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
<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 # State is "No": Select the County - FIPS this Service Area covers</small>	<small>Required # State is "No": Does this Service Area include a partial county?</small>	<small>Required # Partial County is "Yes": Enter the zip codes in this county that are covered by this Service Area</small>	<small>Required # Partial County is "Yes": Enter a justification of why all of the zip codes are not included in this service area.</small>
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

4.3.1 Entering Data

Enable template macros using the **Options** button on the Security Warning toolbar, and select **Enable this Content**. If you do not enable macros before entering data, the template does not recognize these data and you have to reenter them.

² The 2017 version of the template must be used. The banner section of each template will specify 2017.

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 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). 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. 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 both 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**—Select **Yes** if the service area includes the entire state. No additional information is required for the identified service area. Continue adding service areas, until all service areas have been identified. Once all service areas have been entered, go to Section 4.3.2.
 - b. **No**—Select **No** if the service area includes only certain counties in the state. In steps 6 and 7, you must provide county and ZIP code information, as applicable, 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 Section 4.3.2.
6. *County Name*. If you indicated that the identified service area does not cover the entire state (step 5b), use the drop-down menu to select the name of each 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*. For each county, use the drop-down menu to indicate whether the service area covers the entire county. Choose from the following:
 - a. **No**—Select **Yes** if the service area includes the entire county. No additional information is required for the identified county.
 - b. **Yes**—Select **No** if the service area covers only part of the county. If **Yes** is selected, an informational box appears showing HHS partial county policy. Select **OK**. **A *Service Area ZIP Code* column and a *Partial County Justification* column appear on the template. You must provide a supplemental response for all service areas that include partial counties.**
 - i. *Service Area ZIP Code*. If you indicated that the identified county 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.
 - ii. Complete the Partial County Justification supplemental response, and for issuers completing the QHP Application in HIOS, include written evidence of state authorization. Issuers requesting to serve a partial county that file through the SERFF do not need to submit evidence from the appropriate state regulator. Successful transmission of your data to CMS will serve as state approval.
 - iii. Combine the supplemental response and evidence from the appropriate Federally-facilitated Marketplace (FFM) state regulator indicating that the partial county is approved by the state into one PDF document.
 - iv. In the *Partial County Justification* column (G), enter the combined document file name. Use the following naming convention: [Issuer ID]_[State]_service_area_partial_county, for example, “12345_MD_service_area_partial_county.pdf.”
 - v. This combined document must be uploaded using the **Other Supporting Documents** upload function in the Benefits and Service Area Module (see Section 4.4).

To add service areas or counties in the template, repeat steps 5–8 until all service areas have been identified. If all service areas and counties have been entered, go to Section 4.3.2.

4.3.2 Finalizing Template

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

1. Click the **Validate** button at the top left of the template. The validation process identifies any data issues that need to be resolved. If no errors are identified, proceed directly to step 3.
2. If the template contains any errors, a Validation Report will appear in a pop-up box showing 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. We recommend saving the validated template on your computer as a standard Excel.XLSM file and the finalized.XML file in the same folder.
5. Upload the saved file in the Service Area section of the Benefits and Service Area module of the QHP Application System. Refer to the Benefits and Service Area Module User Guide for details on how to complete this upload. The user guide is available in the HIOS Benefits and Service Area Module.

4.4 Supporting Documentation and Justification Instructions

4.4.1 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 this on your Service Area Template and submit a detailed supplemental response.

HHS allows issuers to cover partial county service areas only in extraordinary circumstances. For each requested exception, you must submit a detailed supplemental response substantiating why the entire county will not be served. The issuer must justify that 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.

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.

Issuers may request partial county service areas from CMS only with state authorization. Issuers who complete the QHP Application in HIOS should provide written evidence that their appropriate state regulator has authorized their partial county service area, such as an e-mail that lists the specific ZIP codes in the partial county requested. Issuers requesting to serve a partial county that file through SERFF do not need to submit evidence from the appropriate state regulator. Successful transmission of your data will serve as state approval.

After completing the supplemental response form, do the following:

1. Issuers that complete the QHP Application in HIOS should combine written evidence that the appropriate state regulator has authorized the partial county service area with

your supplemental response. Issuers requesting to serve a partial county that file through SERFF do not need to submit evidence from the appropriate state regulator with the supplemental response.

2. Name the document file using the following convention: [Issuer ID]_[State]_service_area_partial_county, for example, “12345_MD_service_area_partial_county.pdf.” Enter this file name in the template in Column G, “Partial County Justification” and ensure this file name is entered in Column G of the Service Area Template.
3. Upload the combined document in the Plans & Benefit section of the Benefits and 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.