

## State Regulator Rate Review Training Module - Transcript

Slide 1 Title slide

Hello, I'm Sally McCarty, Director of Rate Review at the Center for Consumer Information and Insurance Oversight, or CCIIO.

CCIIO operates within the Centers for Medicare and Medicaid Services, which is commonly referred to as "CMS."

I want to welcome you to training for the CMS Rate Review Program.

We are pleased to partner with State regulators to provide vigorous rate review and greater transparency of rate development to health insurance consumers.

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This training will provide an overview of the CMS Rate Review Program and will provide instructions for using the Rate Review Module in the Health Insurance Oversight System – which we will refer to as "HIOS."

Training participants can find detailed rate review program guidance on all of the topics covered in this training on the CMS/CCIIO website.

All State training participants should download the State rate review instruction manual and the rate review HIOS instruction manual, available on the CCIIO website.

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The CMS Rate Review Program was created under section 2794 of the Public Health Service Act, as amended by section 1003 of the Patient Protection and Affordable Care Act. CCIIO is responsible for implementing this new program.

On May 23, 2011, CCIIO published the "Rate Increase Disclosure and Review" Final Rule, which establishes the requirements of the Rate Review Program. The program will begin operation on September 1, 2011.

Now, Dan Miller, the chief architect of the rate review program, will begin our training.

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Thanks Sally for that introduction. I'm going to begin the training with an overview of the rate review program.

1. The Issuer Rate Review reporting requirements apply to rate increases at or above the subject to review threshold. This threshold is set at 10% for the first year of the rate review program. In 2012 CCIIO will establish state-specific review thresholds.
2. This training does not provide in-depth technical content on the calculation of the 10% threshold test. State training participants that would like to learn more about the calculation of the threshold, should take the issuer training module entitled ‘Technical Instructions for Calculating the ‘Subject to Review’ Threshold Test’
3. Issuers must submit a preliminary justification—the primary rate review reporting requirement—for each rate increase that triggers the rate review reporting requirements. Issuers must submit the preliminary justification to CMS via HIOS for all increases above the threshold, regardless whether a State or CMS is conducting the review **[[Under no circumstances will an issuer rate filing submissions to a State satisfy the preliminary justification reporting requirement. Issuers must always submit the preliminary justification to CMS via regardless of the filing information that is collected from the State.]]**
4. All rate increases at or above the ‘subject to review’ threshold will be reviewed by States or CMS, depending on whether a State has been determined to have an effective rate review program.

For each ‘subject to review rate increase’, the State or CMS reviewer will make a determination on whether the increase is unreasonable. In the case of State reviews, States will rely on their existing rate review practices to make these determinations.

5. If a rate increase is determined to be unreasonable, issuers must provide a Final Justification, if they intend to implement the rate increase.
6. CMS will post the Preliminary Justification and information about the review determination on healthcare.gov. Consumers will be able to access the preliminary justification information shortly after it is submitted to CMS. The website will track the status of each review, for example new records will be labeled on the website as having pending reviews. When the reviews are complete the review status will be updated to include information on the disposition of the review. Additionally, issuers are required to post information on their websites for all unreasonable rate increases.

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The Rate Review Regulation applies to health insurance issuers offering coverage in the individual and small group markets.

These requirements do not apply to grandfathered health plans or to excepted benefits.

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The Preliminary Justification consists of three parts:

- **Part I, the Rate Increase Summary Form** is a standardized Excel-based form that collects high-level data on the medical and administrative cost drivers underlying the rate increase.
- **Part II, the Written Explanation of the Rate Increase** is a brief, non-technical consumer-oriented explanation of the rate increase, intended to provide context for the quantitative rate data provided in Part I.
- **Part III, the Rate Filing Documentation:** this section of the Preliminary Justification is only collected when CMS is conducting the rate review. Issuers must provide detailed rate information that will be used by CMS to conduct actuarial reviews.

The technical instructions for completing the preliminary justification are provided in the Issuer Rate Review manual available on the CCIIO website. Additionally State training participants that would like to learn about the technical preliminary justification reporting requirements may take the issuer training module entitled ‘Technical Instructions for completing the Preliminary Justification.

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The timing of preliminary justification submissions to CMS is based on state rate filing requirements:

- **For States with Rate Filing Requirements:** Issuers must submit the Preliminary Justification on the same date that the rate filing is submitted to the state. Thus, issuers must provide a Preliminary Justification for any rate increases at or above the subject to review threshold that are filed on or after September 1, 2011.
- **For States without Rate Filing Requirements:** Issuers must submit the Preliminary Justification prior to implementing the rate increase. Issuers must provide a Preliminary Justification for any rate increases above the subject to review threshold that go into effect on or after September 1, 2011.

As part of the preliminary justification submission process issuers must complete a submission and attestation step. Only attested records are web-posted. Review determinations will be made on attested records. The attester status of records is clearly labeled in HIOS.

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Registered State HIOS users will receive an email notification each time an issuer attests to a new submission in HIOS.

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All States will use the new Rate Review Module in HIOS to access Rate Review information and to enter rate review determinations, if applicable. This is the same data collection system that States currently use for submitting healthcare.gov plan finder data to CMS.

CMS has sent emails to the States with registration information for accessing the new Rate Review module in HIOS. Both existing and new HIOS users must register for access to the Rate Review system.

States will have access to all of the preliminary justification submissions for products in their State, regardless of whether the state is designated as the reviewer for a particular submission.

For State reviews, States will have access to reviewer functions in HIOS that allow state users to enter their review determinations.

In addition to taking this training, State HIOS users are strongly encouraged to review the Technical Rate Review System manual. This manual provides step-by-step instructions for all state user functions included in HIOS.

I'm now going to show you some HIOS screen shots with small print. Training participants should view these slides in full screen.

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All approved HIOS users will receive an email with log in information and the HIOS URL. The main HIOS URL will direct users to the sign in screen.

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After logging into the system, users will be directed to the HIOS home page. This page may look different for each HIOS user, depending on the user's HIOS access rights. In this screenshot, the user has access to the Rate Review and Plan Finder modules. To access the rate review module click on the 'Rate Review' link. After clicking on the link, users will be directed to the Rate Review menu screen.

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State users can access all of the rate review system functions from the Rate Review menu screen. This page contains three tabs:

- The Review Rate Data tab
- The Submission Status Report tab, and
- The State Rate Review tab

Essentially this page gives State users three different ways to search and access preliminary justification records.

The easiest way to find preliminary justification submissions in the rate review system is by using the submission status report feature. CMS recommends that State users use this feature as the primary method for accessing rate review information in the system.

The 'State Rate Review' tab allows users to access records by entering specific record ID information, such as HIOS issuer and product IDs.

Lastly, the Review Rate Data tab feature allows state users to see an issuer view of preliminary justification submissions in HIOS.

In this training I'm going to show you how to use the Submission Status Report feature to view preliminary justification submissions in the system. After clicking on the 'submission status report' tab, users will be directed to a report page and the submission status.

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On the submission status report page, users may retrieve all records for their state by simply clicking on 'search'. Alternatively, States can use the search features to restrict their search results.

The search options on this page include:

- The Submission type: this allows users to restrict search results to records assigned to CMS or States.
- The Issuer/State search field: allows users to limit their search results to specific issuers licensed in their State.
- The Effective date search field allows users to restrict their search results to a particular rate increase effective date.
- The Submission ID field allows users to restrict their results to specific HIOS record IDs. Note, these IDs are included in the email notification that States will receive for all attested records.
- The Status search field allows users to restrict search results based on the status of the review. For example users can restrict results to only rate increases that are pending review determinations.
- Lastly users can restrict search results based on the dates when records were either initially submitted or attested by issuers in the HIOS system.

Here is an example of what you might see if you clicked on 'search' without filling in any of the search fields.

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The submission status report search results are presented in a record table format. Each row in the table provides key descriptive information, including:

- The HIOS Submission ID
- The Issuer name and state
- The time and date stamps for the HIOS submission and attestation
- The review status
- The number of days the record has been in its current status, and
- The number of days that have passed since Attestation
- The Submission type: whether the review determination will be entered into HIOS by CMS or the State.

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In general the status of all HIOS records shown in the submission status report fall into three categories:

- The Pre-Attestation phase
- The Review phase or
- The Determination Phase

Before an issuer attests to a record, the status field in the submission status report will be set at either pre-attestation or pre-attestation (deleted), if an issuer elects to delete a record prior to attestation.

Following attestation, the status label will automatically be updated to "Pending State Determination" for records assigned to states or to 'record attested' for records assigned to CMS.

Lastly, CMS and States will assign a rate review determination status to each record that they review at the close of the review process. The Determination options in HIOS include unreasonable, not unreasonable, as well as other options that will be discussed later in the training.

State users should use the status labels provided in the submission status report to track the progress of each record and to identify records that are pending State rate review determinations. States should refer to the systems manual for a complete listing of all HIOS status labels.

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On the Submission Status report screen, Click on 'select' to access a preliminary justification submission.

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After selecting a record, users will be directed to the State Rate Review page. The top of this page provides detailed information about the record.

Under the heading labeled 'Record Materials', State users can download issuers' preliminary justification submissions. For example, if you click on rate summary template you can download part I of the preliminary justification.

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The bottom half of the screen shows the review determination functions. When CMS is conducting the review, these fields are disabled. However when these fields are disabled, States will still be able to see the review determinations entered by CMS. For State reviews, States will use these fields to enter their review determinations. We will discuss these determinations later in the training.

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For records that are assigned to states in HIOS, States must enter:

- a review determination, and
- a written description of the review findings and determination

This information must be submitted in HIOS within 5 business days of the close of the review. This information will be web-posted on healthcare.gov. Additionally, Issuers will receive email notification of State Determinations.

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I'm now going to go over the review determinations in HIOS and explain when each one should be used.

If a State completes a review and the Issuer does not make any modification to the proposed increase during the review process, the State must assign an "Unreasonable" or "Not Unreasonable" determination. The State will base its determination of "Unreasonable" or "Not Unreasonable" on the State's existing standards for evaluating rate increases.

If an Issuer modifies a rate increase while the State's review is in progress, the State must enter an "Unreasonable Rate Increase (Modified)" or "Not Unreasonable Rate Increase (Modified)" determination in HIOS. If a State is reviewing a rate increase, Issuers are not required to enter

their modifications to filings in HIOS (i.e., they are not required to amend their Preliminary Justification submissions). Thus, States must use one of the “Modified” determinations to indicate that their determination is based on their review of a modified rate increase amount. When States enter an “Unreasonable Rate Increase (Modified)” or a “Not Unreasonable Rate Increase (Modified)” determination in HIOS, States also have to enter the updated or modified rate increase amount in the system.

In States that have authority to reject an Issuer’s proposed rate increase, the State may select “Unreasonable Rate Increase (Rejected by State)” as the rate determination.

States must choose the “Withdrawn Prior to Determination” option if an Issuer withdraws an increase prior to the completion of a State’s review.

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States must also provide a brief explanation of their review findings and determination. The description should be non-technical and consumer-oriented. In general, the description should not exceed two to three paragraphs.

Guidelines:

- The description should describe any changes to the rate increase amount or effective date.
- The description should provide the State’s review determination (e.g., Unreasonable, Not Unreasonable) and explain whether the increase will take effect
- The description should provide a basic explanation of the relevant review findings that formed the basis of the review determination.

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The review determinations should be entered on the State rate review page. When a record is assigned to a state in HIOS, the review features on the bottom half of the State Rate Review page will be enabled.

States should use the status scroll bar to select the appropriate review disposition. If the user selects one of the modified statuses such as not unreasonable (modified), indicating that rate increase amount has been modified since the initial preliminary justification submission, the user must enter the modified rate increase amount in the field labeled ‘modified rate change’.

States must enter their brief explanation of their review findings and determination in the box labeled ‘External comments’. HIOS will not allow state users to save a review determination if this box is left blank.

After entering the determination state users must click on ‘Save’ in order to record their determination in HIOS. After the determination has been entered into HIOS, information about the review determination will be web-posted on healthcare.gov. Additionally, the issuer will receive an email with the determination information that the state entered into HIOS.

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Issuers may withdraw rate increases following a rate review determination in HIOS, if the issuer intends to entirely retract or change the rate increase. When an issuer withdraws a rate increase following a state determination, the record status label will still show the state determination. For example if an issuer withdraws a rate found to be not unreasonable, the record label in HIOS would be changed to Withdrawn Not Unreasonable.

In the case of unreasonable rate increase determinations, issuers will enter a Final Justification in HIOS. States will be able to view Final Justifications on the State Rate Review page.

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CMS will review all Preliminary Justification Submission prior to web posting. Issuers will have to submit a new Preliminary Justification if CMS identifies a deficiency in the original submission. (The original submission will be marked as 'withdrawn prior to determination' and issuers will have to submit a new record.) CMS will notify States in cases where records are withdrawn from HIOS due to preliminary justification deficiencies.

CMS will also do a content review of Final Justification submissions

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States will be able to see if CMS has web- posted preliminary justification submissions on the State Rate Review page. This slide shows how this information is presented on the State Rate Review Page.

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The Rate Review Regulation requirements for effective rate review programs require States to post information on all of the rate increases that are reviewed under the rate review program and to provide the public with the opportunity to comment on these rate increases.

In order to satisfy this requirement, States must:

1. Post on their web site, at minimum, the Preliminary Justifications, or a link to the Preliminary Justification postings on [healthcare.gov](http://healthcare.gov); and
2. Additionally, States must provide a medium by which consumers can comment on proposed rate increases by providing a phone number, email address, or website where comments can be provided.

This requirement may be satisfied if a State already has a mechanism for web-posting and soliciting comments for all rate increases.

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Thank you for taking the Rate Review training. If you have questions about this training, please email them to [RateReview@hhs.gov](mailto:RateReview@hhs.gov). Questions submitted will be addressed in the CMS Rate Review User Group calls that will take place in August and September. Please see the training confirmation email we sent you for details.