



## Certification Requirements Policy

June 19, 2012

### What should Qualified Health Plan certification requirements be for Colorado?

#### Goals/Objectives:

- Provide quality coverage options for Individuals and Small Employers using the Exchange
- Support a stable risk pool
- Increase affordability, access and choice for Individuals and Small Employers purchasing health insurance in the Exchange
- Foster a competitive marketplace for health insurance
- Not duplicate or replace the duties of the Division of Insurance

Colorado	<p>SB11-200</p> <ul style="list-style-type: none"> <li>• Increase affordability, access and choice for Individuals and Small Employers purchasing health insurance in the Exchange</li> <li>• The Exchange shall not duplicate or replace the duties of the Commissioner established in Section 10-1-108, including rate approval, except as directed by the Federal act.</li> <li>• The Exchange shall foster a competitive marketplace for insurance and shall not solicit bids or engage in the active purchasing of insurance.</li> </ul> <p>Board duties:</p> <ul style="list-style-type: none"> <li>• Consider the affordability and cost in the context of quality care and increased access to purchasing health insurance.</li> <li>• Investigate requirements, develop options, and determine waivers, if appropriate, to ensure that the best interests of Coloradans are protected.</li> </ul>
	<p>45 CFR §156 Outlines the general requirements of QHP certification. Additional certification requirements are included in 45 CFR §155 also outlines requirements of the Exchange that impact QHPs exclusively.</p>

We've replicated the basic policy layout for each topic:

Introduction date: June 11, 2012; Decision date: June 25, 2012

## Accreditation

Below are state and federal laws that apply:

Colorado	SB11-200 <ul style="list-style-type: none"><li>• Increase affordability, access and choice for Individuals and Small Employers purchasing health insurance in the Exchange</li><li>• The Exchange shall foster a competitive marketplace for insurance</li><li>• Consider the affordability and cost in the context of quality care and increased access to purchasing health insurance.</li><li>• Investigate requirements, develop options, and determine waivers, if appropriate, to ensure that the best interests of Coloradans are protected.</li></ul>
Federal	45 CFR §156.275 lists the accreditation standards for QHP including that NCQA and URAC are the two accrediting organizations for 2014

### Background

The Federal regulations outline that two organizations will meet the accreditation standards for 2014: NACQ and URAC. If a new health plan is to be able to participate on the Exchange, a transition path would be needed. Both a COOP and potentially the Multi-State Plans may be deemed to offer QHPs but will be new to Colorado and not accredited.

### Considerations

Specifying one accreditation body or the other may cause additional costs to carriers. The two bodies offer similar but different processes. Requiring a carrier to become accredited with both organizations is likely to be an undue burden.

Both accrediting organizations require data and processes specific to the state and line of business to be accredited, so a new carrier cannot begin the accreditation process until the carrier starts business in Colorado. Both NACQ and URAC are developing accrediting processes specific to the Exchange line of business but it is not known whether the process will be available to carriers starting in 2014 or whether the organizations will continue to use the commercial process for 2014.

### Recommendations

Staff recommends accepting either accreditation standard unless the Exchange is not able to use the accreditation standard for quality usage. COHBE staff believes that the transition period be two years for plans to become accredited on a similar line will be needed.

Introduction date: June 11, 2012; Decision date: June 25, 2012

## Complaint Process

Below are state and federal laws that apply:

Colorado	C.R.S. 10-16-216.5 Covers complaint processes relating to health insurance in Colorado law
Federal	Exchange Blueprint 4.4 The Exchange has the capacity to ensure QHPs' ongoing compliance with QHP certification requirements pursuant to 45 CFR 155.1010(a)(2), including a process for monitoring QHP performance and collecting, analyzing, and resolving enrollee complaints.  Exchange Blueprint 4.4b The Exchange has a process to monitor QHP performance and to collect, analyze, and resolve enrollee complaints in conjunction with any applicable State entities (e.g., State Department of Insurance, consumer assistance programs, and ombudsmen).

### Background:

Currently, both the state and the health plans in Colorado have complaint handling and resolution process.

### Recommendation:

Staff recommends that COHBE receive, monitor and post complaint data and create an internal process to integrate with the health plans and state partners to provide an efficient system for customers to initiate, analyze and resolve enrollee complaints – with through current infrastructure or new processes.

Introduction date: June 11, 2012; Decision date: June 25, 2012

## Claims Payment Data Disclosure

Below are state and federal laws that apply:

Colorado	
Federal	45 CFR §156.220(a) A QHP issuer must provide the following information in accordance with the standards in paragraph(b) of this section:  (1) Claims payment policies and practices  (5) Data on the number of claims that are denied  (b) Reporting requirement. A QHP issuer must submit, in an accurate and timely manner, to be determined by HHS, the information described in paragraph (a) of this section to the Exchange, HHS and the State insurance commissioner, and make the information described in paragraph (a) of this section available to the public.

### Background

The Exchange regulations require a number of transparency measures including claim payment information.

### Consideration

The Colorado Health Benefit Exchange believes there should be clear data disclosure that allows our customers to make informed purchasing decisions.

### Recommendations

COHBE will develop a system that collects plain language claims payment policy disclosures and data on claim payment denials and makes these disclosures available on the website.

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## Financial Disclosers

Below are state and federal laws that apply:

Colorado	CSR 10-16-111 (4) outlines additional cost reporting required from health insurers
Federal	45 CFR §156.220(a) A QHP issuer must provide the following information in accordance with the standards in paragraph(b) of this section:  (2)Periodic financial disclosures  (b) Reporting requirement. A QHP issuer must submit, in an accurate and timely manner, to be determined by HHS, the information described in paragraph (a) of this section to the Exchange, HHS and the State insurance commissioner, and make the information described in paragraph (a) of this section available to the public.

### Background

The Exchange regulations require a number of transparency measures including financial information

### Consideration

The Colorado Health Benefit Exchange believes there should be clear data disclosure that allows our customers to make informed purchasing decisions.

### Recommendations

COHBE will develop a system that collects plain language financial disclosures and makes these disclosures available on the website.

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## Formulary Requirements

Below are state and federal laws that apply:

Colorado	
Federal	45 CFR §156.225(b) <i>Non-discrimination</i> . Not employ marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs in QHPs.

### Background

Formulary information, what drugs are covered by plan and the type of copay for the drug, is required for determining discriminatory benefits information. The Exchange can also make available prescription drug information in a searchable format.

### Considerations

COHBE must collect formulary information at one time for a review of discriminatory benefits. COHBE can also collect ongoing formulary information that will continue to be updated to allow for searching if a specific drug is included in the carrier's formulary and the potential cost sharing for the drug.

### Recommendations

Staff recommends adding formulary information to the search criteria for QHPs. This activity would be added to the roadmap for future system design and would be targeted for inclusion in the initial release.

## Licensure Requirements

Below are state and federal laws that apply:

Colorado	CRS 10-3-105 Authority of the DOI to grant insurance licenses SB11-200 The Exchange shall not duplicate or replace the duties of the Commissioner established in Section 10-1-108, including rate approval, except as directed by the Federal act.
Federal	45 CFR §156.200(a)(4) Be licensed and in good standing to offer health insurance coverage in each State in which the issuer offers health insurance coverage

### Background

There is a significant existing process in the Division of Insurance around insurance licensure.

### Recommendations

COHBE will work with DOI to develop a system for validating licensure of carriers offering products on the Exchange.

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## MLR Requirements

Below are state and federal laws that apply:

Colorado	10-16-107(1.6)(b) laws out the Colorado specific information on the loss ratio guidelines
Federal	45 CFR §155.205(b) Internet Web site. The Exchange must maintain an up-to-date Internet Web site that meets the requirements outlined in paragraph (c) of this section and: (1) Provides standardized comparative information on each available QHP, including at a minimum: (vi) Medical loss ratio information as reported to HHS in accordance with 45 CFR part 158;

### Background

COHBE will make available MLR data on carriers. DOI continues working with HHS on the implementation and monitoring of the MLR

### Consideration

The Colorado Health Benefit Exchange believes there should be clear data disclosure that allows our customers to make informed purchasing decisions.

### Recommendations

The Exchange will work with carriers, state, and federal resources to gather MLR information for carriers.



## Network Adequacy

Below are state and federal laws that apply:

Colorado	CRS 10-16-701-709 Outlines the current Colorado standards
Federal	45 CFR §155.1050 Outlines the network adequacy rules for the exchange

### Background

COHBE must provide a system for assessing network adequacy for QHPs

### Consideration

The Colorado Health Benefit Exchange believes there should be clear data disclosure that allows our customers to make informed purchasing decisions.

### Recommendations

COHBE will use the existing network adequacy framework for general network adequacy with an additional provision. If DOI finds that a carrier's network is inadequate the carrier will have a defined time period to update the carrier's provider network to meet the network adequacy standards or the plan would become decertified for that area.

A separate policy will cover the validation of an adequate number of Essential Community Health Providers in a providers network.

## Out-of-Network Payment Disclosures

Below are state and federal laws that apply:

Colorado	
Federal	45 CFR §156.220(a) A QHP issuer must provide the following information in accordance with the standards in paragraph(b) of this section:  (7)Information on cost-sharing and payments with respect to any out-of-network coverage  (b) Reporting requirement. A QHP issuer must submit, in an accurate and timely manner, to be determined by HHS, the information described in paragraph (a) of this section to the Exchange, HHS and the State insurance commissioner, and make the information described in paragraph (a) of this section available to the public.

### Background

The Exchange regulations require a number of transparency measures including out-of-network information

### Considerations

The Colorado Health Benefit Exchange believes there should be clear data disclosure that allows our constituents to make informed purchasing decisions.

### Recommendations

COHBE will develop a system that collects plain language out-of-network payment disclosures and makes these disclosures available on the website.

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## Provider Directory

Below are state and federal laws that apply:

Colorado	CRS 10-16-701-709 Outlines the current Colorado standards
Federal	45 CFR §155.1050 Outlines the network adequacy rules for the exchange

### Background

COHBE will need to collect provider directories to validate network adequacy. COHBE will also need to collect provider directory information to allow consumers to search for providers in the plan filtering component.

### Considerations

Collection of ongoing network information will enable more accurate provider searches throughout the year.

### Recommendations

Staff recommends adding provider information to the search criteria for QHPs. This activity would be added to the roadmap for future system design and would be targeted for inclusion in the initial release.

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## Rate Review

Below are state and federal laws that apply:

Colorado	CRS 10-16-107 Outlines DOI's prior approval rate review authority SB11-200 The Exchange shall not duplicate or replace the duties of the Commissioner established in Section 10-1-108, including rate approval, except as directed by the Federal act.
Federal	45 CFR §156.210(c) <i>Rate justification</i> . A QHP issuer must submit to the Exchange a justification for a rate increase prior to the implementation of the increase. A QHP issuer must prominently post the justification on its Web site.

### Background

Rate review and approval will be conducted by the DOI, as it currently occurs. The Exchange is required to receive a rate justification notice from carriers.

### Recommendations

COHBE will work with DOI to ensure that the appropriate rate justification notice is included in the rate filing and can be passed to the Exchange.

## Solvency Requirements

Below are state and federal laws that apply:

Colorado	Regulation 3-1-11 and 3-1-12 Risk-Based Capital (RBC) and Risk-Based Capital (RBC) for Health Organizations  SB11-200 The Exchange shall not duplicate or replace the duties of the Commissioner established in Section 10-1-108, including rate approval, except as directed by the Federal act.
Federal	45 CFR §156.200(a)(4) Be licensed and in good standing to offer health insurance coverage in each State in which the issuer offers health insurance coverage

### Background

Solvency is one of the primary causes for a carrier to lose licensure and DOI has an extensive process to monitor health carriers for solvency.

### Recommendations

COHBE will work with DOI to make sure that COHBE is informed if a QHP issuer enters a new solvency state. COHBE will work with DOI to determine if a carrier may face excess capital strain and provide limits on the number of participants that a carrier may enroll in the Exchange. COHBE will also work with DOI if DOI feels that a carrier's participation in the Exchange causes a risk to the solvency of the carrier.

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