

# **Minnesota Health Insurance Exchange Plan Certification Guidance**

**October 9, 2012**

The purpose of this guidance is to describe the certification requirements intended to apply to Qualified Health Plans (QHPs) offered for sale on the Minnesota Health Insurance Exchange (“the Exchange”) in 2014 and to QHP issuers with respect to their portfolio of business with the Exchange in 2014. Additionally, this guidance refers to information about the certification process and relevant timelines for issuers intending to offer QHPs for sale on the Exchange in 2014. This filing process and timeline information will be included in a jointly issued bulletin from the Departments of Health and Commerce to be released in October 2012.

## **Certification Requirements for QHPs and Issuers Offering QHPs on the Exchange**

Federal law requires that a health insurance issuer offering health plans for sale on the Exchange must have a certification issued by or recognized by the Exchange demonstrating that each health plan it offers on the Exchange is a QHP according to the applicable federal regulations. 45 C.F.R. §§ 156.200-156.295. Additionally, federal law requires that the Exchange have in place a process to ensure that QHP issuers meet various other requirements. 45 C.F.R. §§ 155.410(b), 155.1020(c), and 155.1055.

In order to meet these federal requirements, the Exchange intends to rely upon voluntary extension and application of existing provisions of state law to QHPs offered for sale on the Exchange in 2014 and, where applicable, to QHP issuers with respect to their portfolio of business with the Exchange in 2014. By utilizing this approach, the Exchange will leverage the capacities of existing state regulatory agencies to carry out most components of the certification process, while directly carrying out only some components.

### **1. QHP issuer participation standards**

A. An issuer, with respect to its portfolio of business with the Exchange, must be recognized by the Exchange to demonstrate that each health plan it offers in the Exchange is a QHP. 45 C.F.R. § 156.200 (a). The Exchange will provide such notice to issuers.

B. QHP issuers must ensure that each QHP complies with benefit design standards, as defined in Sections 2707 and 1302 of the Patient Protection and Affordable Care Act. 45 C.F.R. §§ 156.20 & 156.200 (b)(3). The Department of Commerce will assess compliance with benefit design standards for insurers through its form review process, while the Department of Health will assess compliance with benefit design standards for HMOs.

C. QHP issuers must be licensed and in good standing to offer health insurance in each state in which it provides coverage. 45 C.F.R. § 156.200 (b)(4). Minnesota Statutes, Chapter 62D will provide the applicable licensing certification standard for HMOs, while Minnesota Statutes, Chapters 60A and 62C will provide the applicable licensing certification standards respectively for insurers and service plan corporations.

D. QHP issuers, with respect to their portfolio of business with the Exchange, are required to implement and report on a quality improvement strategy or strategies consistent with the standards of the ACA, disclose and report information on health care quality and outcomes, and implement appropriate enrollee satisfaction surveys. 45 C.F.R. § 156.200 (b)(5). The Center for Consumer Information and Insurance Oversight (“CCIIO”) has informed states that these provisions will not be effective under federal rule until 2016. Minnesota will not have requirements related to quality improvement strategies, reporting of health care quality, or implementation of enrollee satisfaction surveys as part of the certification process during 2013.

E. Each QHP issuer offering QHPs for sale on the Exchange must offer at least one QHP in the silver coverage level and at least one QHP in the gold coverage level as well as a child-only plan on the Exchange. 45 C.F.R. § 156.200 (c) (1-2). The Exchange will evaluate whether these offering requirements are met prior to permitting a QHP issuer to offer any approved QHPs on the Exchange.

F. QHP issuers may not discriminate on the basis of race, color, national origin, disability, age, sex, gender identity, or sexual orientation. 45 C.F.R § 156.200 (e). Minnesota Statutes, section 72A.20, subdivisions 8, 9, 15, 16 and 21 will provide the certification standards related to non-discrimination.

## 2. QHP Rate and Benefit Information

QHP issuers, with respect to their portfolio of business with the Exchange, must set rates for the entire benefit year or for the SHOP, plan year. 45 C.F.R. § 156.210. QHP issuers must submit required justification for rate increases in advance and post justifications on their website. The Exchange must receive annual updates from issuers regarding rates, covered benefits, and cost sharing requirements of each QHP. 45 C.F.R. § 155.1020 (c).

QHP rates and benefits will be reviewed through existing established form and rate review processes established in state law by the Minnesota Departments of Commerce and Health. In addition, small employers will be required to comply with participation requirements in Minnesota Statutes 62L.03, Subd. 3. The Departments of Commerce and Health require carriers to comply with all relevant provisions of the Affordable Care Act, including those related to benefit standards and rate review, as noted in a bulletin to be jointly issued by these agencies in October 2012.

## 3. Marketing and Benefit Design of QHPs

A QHP issuer and its officials, employees, agents, and representatives, with respect to their portfolio of business with the Exchange, must comply with applicable state laws regarding

marketing and may not employ marketing practices that discourage enrollment of people with significant health needs. 45 C.F.R. § 156.225.

Minnesota Statutes, section 72A.20 and Minnesota Rules, 2790.0500 will function as certification standards for Minnesota insurers and service plan corporations. Minnesota Statutes, sections 72A.20, 62D.09, and 62D.12 will function as the certification standards for HMOs. The Exchange will use existing processes at the Departments of Commerce and Health respectively to oversee compliance with these provisions.

#### 4. Network Adequacy and Provider Directories

##### A. Network Adequacy

QHP issuers, with respect to their portfolio of business with the Exchange, must ensure that QHP provider networks are sufficient in number and types of providers, including mental health and substance abuse providers, to assure that all services are accessible without unreasonable delay. 45 C.F.R. § 156.230.

Minnesota Statutes, sections 62D.124 and Minnesota Rules, 4586.3300, Subpart 9 will function as network adequacy certification standards for Minnesota insurers, service plan corporations, and HMOs. The Department of Health will perform network adequacy review for QHPs.

##### B. Provider Directories

QHP issuers are required to make a provider directory for a QHP available to the Exchange for publication online in accordance with guidance from the Exchange and to potential enrollees in hard copy upon request. 45 C.F.R. § 156.230(b).

QHP issuers will be required to file a provider network at the time of QHP filing, update it shortly before the open enrollment period begins, and update it on a regular interval (monthly or quarterly) throughout a benefit year. The provider network information filed by QHP issuers will form the basis of an Exchange consolidated provider directory. The Exchange is working with the Departments of Health and Human Services to build a unified provider information data collection system and will consult with issuers as we move forward with system development.

#### 5. Essential Community Providers

A QHP issuer, with respect to its portfolio of business with the Exchange, must have a sufficient number and geographic distribution of essential community providers, where available, that serve predominantly low income, medically underserved individuals. A staff model health plan or integrated delivery system plan that contracts with a single medical

group must have a sufficient distribution of providers to ensure reasonable and timely access for low-income, medically underserved individuals in its service area. 45 C.F.R. § 156.235.

Minnesota Statutes, section 62Q.19 will function as the certification standard related to essential community providers for qualified health plans sold on the Exchange. Minnesota Statutes, section 62Q.19 requires all health plans to offer contracts to state designated essential community providers within their service areas.

## 6. Service Area

QHP service areas must cover a minimum geographical area that is at least an entire county or group of counties unless the Exchange determines that serving a smaller area is necessary, nondiscriminatory, and in the best interest of enrollees. A QHP service area must be established without regard to racial, ethnic, language, health status related factors, or other factors that exclude specific high utilizing, high cost, or medically underserved populations. 45 § C.F.R. 155.1055.

The Exchange will generally require that a QHP service area is at least an entire county. The Exchange will consider exceptions to the county service area requirement to the extent an issuer demonstrates the sub-county service area is necessary, non-discriminatory, and in the best interests of enrollees. The Department of Health will review sub-county service areas based on these criteria and all service areas to ensure they have been established without regard to racial, ethnic, language, health status related factors, or other factors that exclude specific high utilizing, high cost, or medically underserved populations.

## 7. Accreditation

QHP issuers, with respect to their portfolio of business with the Exchange, must be accredited within the time period established by the Exchange. 45 C.F. R. § 156.275. Carriers will be required to obtain accreditation through either the National Committee for Quality Assurance (NCQA) or URAC at the product type level, which will include QHPs offered by the issuer through the Exchange.

The Exchange will require issuers to obtain the appropriate level of accreditation in the third year after the issuer offers a QHP on the Exchange. Thus, a carrier that first offers a QHP during 2014 must obtain accreditation by the end of 2016. To the extent a carrier cannot obtain accreditation due to low volume of enrollees, an exception to this certification criterion will be granted until such time the carrier has sufficient volume of enrollees. In addition, a carrier must take the first step of the accreditation process in the first year in which it offers a QHP.

## 8. Other Requirements

QHP issuers, with respect to their portfolio of business with the Exchange, are also required to comply with 45 C.F.R. §§ 156.220, 156.245, 156.250, 156.260, 156.265, 156.270, 156.280, 156.285, 156.290, and 156.295.

## **Timelines and Process for Participation in the Exchange Open Enrollment Process**

Information on the filing timelines and process for QHPs to be offered on the Exchange will be provided in a bulletin to be issued by the Minnesota Departments of Commerce and Health in October 2012.

We anticipate it may be necessary to issue additional guidance about aspects of the QHP certification process.

Please contact Katie Burns, Exchange Plan Management and Quality Director, with any questions you may have. You may reach Ms. Burns at 651-296-6588 or [Katie.burns@state.mn.us](mailto:Katie.burns@state.mn.us).