

# COMMONWEALTH OF VIRGINIA

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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

September 2, 2010

**Administrative Letter 2010-09**

**TO: All Insurers Licensed to Write Accident and Sickness Insurance in Virginia, all Health Services Plans and all Health Maintenance Organizations Licensed in Virginia**

**RE: Form and Rate Filings Submitted to Comply with the Patient Protection and Affordable Care Act of 2010 (PPACA)**

The Bureau of Insurance (Bureau) recognizes that many carriers delayed finalizing the drafting and submission to the Bureau for approval, of policy forms and related documents, pending the release of regulations and other clarifying guidance from the U.S Department of Health and Human Services relating to the Patient Protection and Affordable Care Act of 2010 (PPACA). This delay could result in the lack of one or more necessary form or rate approvals from the Bureau, thereby potentially causing a disruption in sales and renewals of health insurance contracts in Virginia. In order to minimize this potential disruption, and in accordance with Virginia Code § 38.2-316 I, the Bureau will *temporarily* exempt PPACA-related forms and/or rate filings from the approval requirements of § 38.2-316 for 120 days commencing with the date of the filing, subject to the conditions identified below. It should be emphasized that this temporary exemption in no way minimizes the Bureau's role in reviewing and approving forms or rates, and this process will be available only for endorsements, amendments or riders submitted to address PPACA requirements in previously approved contracts or for submissions of revisions to previously approved contract forms in which the only changes made are those to address the requirements in the PPACA. The temporary exemption will also apply to any associated rate filings. It also should be noted that this temporary exemption will not be employed with respect to any particular filing unless and until it is specifically **requested** by the submitting carrier in accordance with this letter, and the following information is included. The Bureau will screen submissions as they are received and will reject the exemption request if one or more of the required items below are not included.

1. A statement that any and all forms or rates included in the submission include provisions specifically drafted to address one or more requirements identified in the PPACA.

2. An identification of the type of forms included in the submission (i.e. amendment, endorsement, or rider to be used with previously approved forms on file with the Bureau; or previously approved forms that have been revised only to address PPACA requirements).

3. If an amendment, endorsement, or rider is submitted, an identification of any and all contracts or policies to which the amendment, endorsement or rider will apply and the corresponding approval date(s) of such contracts or policies in Virginia. If a revision to previously approved contracts or policies is submitted, the approval date(s) for such contracts or policies must be provided.

4. A red-lined identification of all PPACA-related changes.

5. If there is a change in rates necessitated by PPACA compliance, revised rates must be included, along with relevant documentation or a detailed actuarial memorandum, as required under current Virginia law, supporting the proposed rate change. If rates are not affected by the revisions, this should be noted in the submission as well.

6. A completed *PPACA Uniform Compliance Summary*, a copy of which is attached to this letter.

7. A Certification from an officer of the Company stating:

*(1) the forms and/or rates included in the submission were developed and drafted to address one or more of the requirements identified in the PPACA; and*

*(2) the carrier understands and agrees that the exemption applied to this submission is temporary and that forms and/or rates included in the submission remain subject to review in accordance with applicable Virginia laws and regulations. Form(s) may not be issued or issued for delivery in Virginia after the expiration of the 120 day temporary exemption period if the form(s) and/or rates have not been approved by the Bureau prior to the expiration of such period. The carrier will be responsible to make corrective actions necessary as a result of the Bureau's review, including, but not limited to amending noncompliant policy language, adjusting premium rates if applicable, and retrospectively reconsidering denied or reduced claim payments if such denials or reductions were inconsistent with Virginia law.*

Carriers are also reminded to review *the Rules Governing the Submission for Approval of Life, Accident and Sickness, Annuity, Credit Life and Credit Accident and Sickness Policy Forms*, Chapter 100, Title 14 of the Virginia Administrative Code for general filing requirements.

Carriers may contact the Bureau if they are unsure as to whether a particular filing qualifies for this temporary exemption. Questions relating to the qualification of filings for the temporary exemption, or any other questions relating to this letter, may be directed to:

Robert Grissom  
Supervisor, Forms and Rates Section  
Life and Health Division  
Bureau of Insurance  
State Corporation Commission  
804-371-9152  
[bob.grissom@scc.virginia.gov](mailto:bob.grissom@scc.virginia.gov)

Cordially,



Alfred W. Gross  
Commissioner of Insurance

Attachment

## PPACA Uniform Compliance Summary

**Please select the appropriate check box below to indicate which product is amended by this filing.**

**INDIVIDUAL HEALTH BENEFIT PLANS** (Complete [SECTION A](#) only)

**SMALL / LARGE GROUP HEALTH BENEFIT PLANS** (Complete [SECTION B](#) only)

This form filing compliance summary is to be submitted with your [endorsement][contract] to comply with the immediate market reform requirements of the Patient Protection and Affordable Care Act (PPACA). These PPACA requirements apply only to policies for health insurance coverage referred to as “major medical” in the statute, which is comprehensive health coverage that includes PPO and HMO coverage. This form includes the requirements for grandfathered (coverage in effect prior to March 23, 2010) and non-grandfathered plans, and relevant statutes. Refer to the relevant statute to ensure compliance. Complete each item to confirm that diligent consideration has been given to each. *(If submitting your filings electronically, bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page/paragraph on this form.)*

**\*For all filings, include the Type of Insurance (TOI) in the first column.**

Check box if this is a paper filing.

### COMPANY INFORMATION

Company Name	NAIC Number	SERFF Tracking Number(s) *if applicable	Form Number(s) of Policy being endorsed	Rate Impact
				<input type="checkbox"/> Yes <input type="checkbox"/> No

## PPACA Uniform Compliance Summary

### SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<b>Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19</b>	<i>[Sections 2704 and 1255 of the PHSA/Section 1201 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Eliminate Annual Dollar Limits on Essential Benefits</b> Except allows for “restricted” annual dollar limits for essential benefits for plan years prior to January 1, 2014.	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Eliminate Lifetime Dollar Limits on Essential Benefits</b>	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Prohibit Rescissions</b> – Except for fraud or intentional misrepresentation of material fact.	<i>[Section 2712 of the PHSA/Section 1001 of PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			

## PPACA Uniform Compliance Summary

### SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p><b>Preventive Services</b> – Requires coverage and prohibits the imposition of cost-sharing for specified preventative services.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2713 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	<p><b>Extends Dependent Coverage for Children Until age 26</b> – If a policy offers dependent coverage, it must include dependent coverage until age 26.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2714 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	<p><b>Appeals Process</b> – Requires establishment of an internal claims appeal process and external review process.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2719 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	<p><b>Emergency Services</b> – Requires plans that cover emergency services to provide such coverage without the need for prior authorization, regardless of the participating status of the provider, and at the in-network cost-sharing level.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.

## PPACA Uniform Compliance Summary

### SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p><b>Access to Pediatricians</b> – Mandates that if designation of a PCP for a child is required, the person be permitted to designate a physician who specialized in pediatrics as the child’s PCP if the provider is in-network.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	<p><b>Access to OB/GYNs</b> – Prohibits authorization or referral requirements for obstetrical or gynecological care provided by in-network providers who specialize in obstetrics or gynecology.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.

## PPACA Uniform Compliance Summary

### SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<b>Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19</b>	<i>[Sections 2704 of the PHSA/Section 1201 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Eliminate Annual Dollar Limits on Essential Benefits –</b> Except allows for “restricted” annual dollar limits for essential benefits for plan years prior to January 1, 2014.	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Eliminate Lifetime Dollar Limits on Essential Benefits</b>	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Prohibit Rescissions –</b> Except for fraud or intentional misrepresentation of material fact.	<i>[Section 2712 of the PHSA/Section 1001 of PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			



## PPACA Uniform Compliance Summary

### SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<b>Preventive Services</b> – Requires coverage and prohibits the imposition of cost-sharing for specified preventative services	<i>[Section 2713 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Extends Dependent Coverage for Children Until age 26</b> – If a policy offers dependent coverage, it must include dependent coverage until age 26. ◇	<i>[Section 2714 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <sup>◇</sup> <input type="checkbox"/> No If <b>no</b> , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			
	<b>Appeals Process</b> – Requires establishment of an internal claims appeal process and external review process.	<i>[Section 2719 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>no</b> , please explain.
	Explanation:			
	Page Number:			

◇ For plan years beginning before January 1, 2014, grandfathered group plans are not required to extend coverage to a child until the age of 26 if such child is eligible to enroll in another employee-sponsored plan

## PPACA Uniform Compliance Summary

### SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p><b>Emergency Services</b> – Requires plans that cover emergency services to provide such coverage without the need for prior authorization, regardless of the participating status of the provider, and at the in-network cost-sharing level.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <b>no</b>, please explain.</p>
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	<p><b>Access to OB/GYNs</b> – Prohibits authorization or referral requirements for obstetrical or gynecological care provided by in-network providers who specialize in obstetrics or gynecology.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If <b>no</b>, please explain.</p>