

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 9, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

SCC-CLERK'S OFFICE  
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CASE NO. INS-2018-00083

100530001

*Ex Parte:* In the matter of presentations of premium rates in connection with health insurance coverage issued in the individual and small group markets

ORDER DIRECTING PRESENTATIONS

In accordance with § 38.2-316.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") reviews and approves premium rates applicable to health benefit plans issued in Virginia in the individual and small group markets, as those terms are defined in Code § 38.2-3431. Additionally, pursuant to Code § 38.2-326, the Commission, with the assistance of the Virginia Department of Health, performs plan management functions required to certify health benefit plans and stand-alone dental plans for participation in the federal health benefit exchange ("FHBE") established by the Secretary of the U.S. Department of Health and Human Services ("HHS") pursuant to § 1321 of the Patient Protection and Affordable Care Act codified at 42 U.S.C. § 18041. The Commission's Bureau of Insurance ("Bureau") must complete its review of Qualified Health Plans ("QHP") for sale on the FHBE in 2019 by August 22, 2018. Recommendations by the Bureau to HHS for the certification of QHP on the FHBE in 2019 must be completed by September 25, 2018.

The Commission has historically delegated to the Bureau its authority to review and approve premium rates for health benefit plans issued in the individual and small group markets. Given the importance of the cost of health insurance to Virginia's small businesses and individuals (many of whom are self-employed), the Commission reviews closely, prior to approval, rates for health insurance that may represent a significant impact on small businesses and individuals.

Accordingly, prior to the Bureau's recommendation of QHP certification to HHS, and prior to finalizing both form and rate approvals for the related products for sale and use in Virginia both inside and outside the FHBE, the Bureau is directed to coordinate for the Commission presentations by insurance companies. Each presentation shall include an overview representing the range of rate impact or change for identified products proposed to be offered in the individual and small group markets for use as of January 1, 2019. The Bureau shall contact all companies offering health benefit plans in Virginia in the individual and small group markets and develop a proposed schedule for each company's presentation on July 24, 2018. The Bureau is further directed to detail for each such company the format and minimum scenarios that should be developed for presentation as well as to provide a preliminary list of factors that the Bureau believes may be likely rate drivers that should be covered in the presentation.<sup>1</sup> These companies should also address the outlook for future rate changes and steps being taken or anticipated to control rate increases. At the conclusion of each company's presentation, the Bureau may offer additional comments.

Accordingly, IT IS ORDERED THAT:

(1) Starting at 9:00 a.m. on July 24, 2018, the Commission will receive rate premium impact presentations in the Commission's courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219.

(2) The Bureau shall coordinate for the Commission insurance company presentations that will provide an overview representing the range of rate impact or change for identified products proposed to be offered in the individual and small group markets for use as of January 1, 2019.

(3) On or before June 22, 2018, the Bureau shall contact those companies that are offering health benefit plans in Virginia in the individual and small group markets to notify them of the format and minimum scenarios that should be developed for presentation and a

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<sup>1</sup> Each company may add additional rate driver factors to its presentation.

preliminary list of factors that the Bureau believes may be likely rate drivers that should be covered through the presentation.

(4) The companies shall attend and make presentations as designated by the Bureau and shall also address the outlook for future rate changes and steps being taken or anticipated to control rate increases.

(5) An attested copy of this Order forthwith shall be sent by the Bureau to each company offering health benefit plans in Virginia in the individual and small group markets.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Office of the Attorney General, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424; and a copy hereof shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie S. Blauvelt.