Virginia

MLR Adjustment Survey – Information

The Patient Protection and Affordable Care Act (PPACA) allows the Secretary of the U.S. Department of Health and Human Services to adjust the medical loss ratio (MLR) standard for a state if it is determined that meeting the 80% MLR standard may destabilize the *individual market*[1]. In order to qualify for this adjustment, a state must demonstrate that requiring health insurance issuers in its individual market to meet the 80% MLR has a likelihood of destabilizing the individual market and could result in fewer choices for consumers. Accordingly, the Bureau of Insurance (the Bureau) is surveying carriers who reported accident and sickness premiums in Virginia to determine whether consideration should be given to requesting an adjustment to the MLR. Upon receipt and analysis of the responses to the attached survey form, appropriate further steps will be considered which may include further requests for information and/or a public hearing.

As provided by Virginia Code § 38.2-221.1, confidentiality of responses is available if specifically requested. The survey form includes a section to request confidentiality of the survey response. The Bureau likely will publish aggregated and summarized information regarding survey responses.

The attached survey must be completed by all carriers who reported Accident and Sickness premiums in Virginia in the individual market in 2009. Carriers from whom a completed survey is expected were notified separately of this information request, and are expected and required to respond on or before January 31, 2011.

NOTE: All questions in the attached survey refer only to health benefit plans as defined in Virginia Code § 38.2-3431. Responses to the survey questions should not include information relating to coverages defined as "excepted benefits" in Virginia Code § 38.2-3431.

Questions concerning this survey may be directed to:

Bob Grissom
804-371-9152
bob.grissom@scc.virginia.gov
OR

Ern Johnson
804-371-9589
ern.johnson@scc.virginia.gov

[1] *Individual market* has the meaning given the term in section 2791(e)(1) of the PHS Act, section 1304(a)(2) of the PPACA, and in Virginia Code § 38.2-3431. Essentially, for purposes of completing this information request, *individual market* includes those individual accident and sickness insurance products and non-employer group accident and sickness insurance products that are subject to the PPACA.

Reset Form

VIRGINIA

MLR Adjustment Survey

Note: In completing this survey, responses from all carriers should refer only to the types of accident and sickness insurance products subject to the MLR requirements in the PPACA and issued in the individual market.

1. Company Information

Company Name: _____
NAIC Number: _____

Contact person In case of questions:
Name: _____
Phone: _____
Email: _____

2. Market Participation

- ☐ Company did not write accident and sickness policies, certificates or evidences of coverage attributable to coverage subject to the PPACA and issued in Virginia in 2009 and 2010 in the individual market (If no coverage written, skip to end of survey)

-OR-

- Number of accident and sickness policies, certificates or evidences of coverage attributable to coverage subject to the PPACA and issued in Virginia in 2009 and 2010 (if available) in the individual market:

  2009: Number of Policies/Certificates/EOCs:_____ covering how many lives:_____

  2010: Number of Policies/Certificates/EOCs:_____ covering how many lives:_____

- Identify below all zip codes in which the company issues or delivers policies, certificates, or EOCs in Virginia:

ALL Regions ☐

201 ☐	228 ☐	238 ☐
205 ☐	229 ☐	239 ☐
220 ☐	230 ☐	240 ☐
221 ☐	231 ☐	241 ☐
222 ☐	232 ☐	242 ☐
223 ☐	233 ☐	243 ☐
224 ☐	234 ☐	244 ☐
225 ☐	235 ☐	245 ☐
226 ☐	236 ☐	246 ☐
227 ☐	237 ☐	

Reset Zip Codes

Reset Form

- Is the company actively seeking to write new accident and sickness products in the individual market in Virginia at this time? YES☐ NO☐

- Is the company renewing accident and sickness products in the individual market in Virginia at this time? YES☐ NO☐

- Will the new MLR requirement cause the company to: (select all that apply)

  ☐ Discontinue new sales in the individual accident and sickness market in Virginia?

  ☐ Exit the individual accident and sickness market in Virginia?
  Anticipated exit date:_____

  ☐ Not sure yet

3. MLR Adjustment

Is the company in favor of Virginia requesting an adjustment of the 80% MLR requirement for individual business to a lower requirement?

☐ NO – Not in Favor

-OR-
(select all that apply)

☐ YES – Because of stress on company
☐ YES – Because of market destabilization (please identify foreseen areas of disruption in the list below)
☐ YES – Because of other reasons:_____
Preferred adjustment:

☐ 65% ☐ 70% ☐ 75% ☐ Other (identify:_____)?

If YES-because of market destabilization, please identify in the list below areas of potential market disruption you foresee in the absence of an adjustment.

Note: If further follow-up is necessary, the Bureau may request estimated financial information or other supporting data relating to areas of potential market destabilization identified below resulting from an 80% MLR requirement on the company for 2011, 2012, and 2013.

(select all that apply)

☐ Insurers surrendering licenses

☐ Premium increases for continuing policyholders

☐ Reduced access by consumers to agents and brokers

☐ Benefit design changes (offering only high-deductible plans, etc.)

☐ Decreased market participation

☐ Changes in marketing

☐ Demographic changes in coverage (sudden declines in coverage)

☐ Premium volatility

☐ Other:_____

4. Confidentiality Request

Is the company identified requesting that the information in this survey be considered confidential proprietary pursuant to Virginia Code § 38.2-221.1?

YES ☐ NO ☐

If yes, please detail the reason the information is confidential proprietary, indicating why protection is necessary:

_____

_____

_____

The Bureau likely will publish aggregated and summarized information regarding survey responses.

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