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## MEMORANDUM

**DATE:** September 27, 2011

**TO:** Health Insurance Issuers

**FROM:** Sally McCarty, Director of Rate Review  
Doug Pennington, Director, CCIIO Web Services Division

**SUBJECT:** Rate Review Reporting Requirements for Association Products

The CMS Rate Review and Plan Finder programs of the Centers for Consumer Information and Insurance Oversight (CCIIO) use the Health Insurance Oversight System (HIOS) to collect individual and small group major medical products from health insurance issuers. Both programs currently defer to existing state definitions for individual and small group products (i.e. products are defined by the licensing state's definition of an individual or small group product).

On September 6, 2011, CMS published an amendment to the Rate Increase Disclosure and Review Regulation (45 CFR Part 154). The amendment changes the definition of individual and small group markets as follows:

*Individual market* has the meaning given the term under the applicable State's rate filing laws, except that:

- (1) Where State law does not define the term, it has the meaning given in section 2791(e)(1)(A) of the PHS Act; and
- (2) Coverage that would be regulated as individual market coverage (as defined in section 2791(e)(1)(A)) if it were not sold through an association is subject to rate review as individual market coverage.

*Small group market* has the meaning given under the applicable State's rate filing laws, except that:

- (1) Where State law does not define the term, it has the meaning given in section 2791(e)(5) of the PHS Act; provided, however, that for the purpose of this definition, "50" employees applies in place of "100" employees in the definition of "small employer" under section 2791(e)(4); and
- (2) Coverage that would be regulated as small group market coverage (as defined in section 2791(e)(5)) if it were not sold through an association is subject to rate review as small group market coverage.

Effective November 1, 2011, association products with rate increases that are at or above a 10% weighted average for individual/small group, and that are considered to be large group products under State law or have been otherwise excluded from State's existing definitions of individual and small group coverage, **must be reported to the Rate Review program.**

Issuers that sell only association products were previously not required to report to Plan Finder or Rate Review. This new regulation now requires those issuers to report to Rate Review using the HIOS tool.

### **Instructions On Adding Association Products To Plan Finder Template In HIOS:**

In order to submit rate review information to HIOS, issuers must first enter products into the Plan Finder template and obtain a Product ID number.

From **October 3 to 7, 2011**, issuers may enter association products into the Plan Finder template and obtain a Product ID number for purposes of rate review filings. **This is the only opportunity to enter these association plans into Plan Finder prior to the November 1, 2011 effective date of the amended regulation.**

To ensure that association products are appropriately categorized in the Plan Finder template, issuers must submit data utilizing the following guidance:

- Mark all association products as either “Open” or “Closed” for new enrollees
- Mark “Yes” in the association field.
- If the association product is sold in Small Group market, mark it in Plan Finder as “Small Group”
- If the association product is sold in the Individual market, mark it in Plan Finder as “Individual”
- If the association product is sold in both Small Group and Individual markets, mark it as “Small Group”
- All existing HIOS users should re-assess their current Plan Finder data and determine whether additional association products must be reported.

Consistent with CMS’ existing association product policy, **no association products will be displayed on the HealthCare.gov Plan Finder.**

Issuers that have never submitted to HIOS must first obtain a username/password. To get started, please contact the HIOS Help Desk at 1-877-343-6507 or [insuranceoversight@hhs.gov](mailto:insuranceoversight@hhs.gov).

For policy questions regarding the HealthCare.gov Plan Finder, please email [CCIOPlanFinder@cms.hhs.gov](mailto:CCIOPlanFinder@cms.hhs.gov)

### **Instructions On Reporting Association Products To Rate Review In HIOS**

Once Plan Finder IDs have been obtained for all applicable association products, issuers may submit those products to rate review in HIOS. All issuers should follow the attached instructions for registering for the HIOS Rate Review module and carefully review the Issuer Manual found on the CCIIO website: <http://cciio.cms.gov/resources/other/index.html#rir>, to learn the rate review reporting requirements.

In addition, CMS has posted three rate review webinar trainings for issuers that provided detailed information on the Rate Review reporting requirements. Issuers should follow the attached instructions to register for the trainings: <https://webinar.cms.hhs.gov/ratereviewissuers/event/registration.html>.

Additional resources, including FAQs from issuers and states, are available for issuers on the CCIIO website: <http://cciio.cms.gov>

Please note, the Rate Review information that is submitted on association products will be displayed on the soon-to-be-released Rate Review section on HealthCare.gov.

For policy questions regarding Rate Review program, please email [Ratereview@hhs.gov](mailto:Ratereview@hhs.gov)

For technical assistance regarding Plan Finder or Rate Review data submissions, please contact the HIOS Help Desk at 1-877-343-6507 or [insuranceoversight@hhs.gov](mailto:insuranceoversight@hhs.gov)