



Date: January 31, 2018

From: The Maryland Health Benefit Exchange

To: Issuers Seeking to Participate in Maryland Health Connection in 2020

Title: 2020 Letter to Issuers Seeking to Participate in Maryland Health Connection

The Maryland Health Benefit Exchange (MHBE) is releasing this 2020 Letter to Issuers (the Letter). This Letter provides guidance to issuers seeking to offer qualified plans, which include Qualified Health Plans (QHP) and Stand-Alone Dental Plans (SADP), through Maryland Health Connection on the Individual and Small Business Health Options Program (SHOP) Marketplaces. Unless otherwise specified, references to the Marketplace include both the Individual and SHOP Marketplaces. Further, requirements for plan certification and issuer certification, unless otherwise specified, are required for both health plan issuers and stand-alone dental plans.

Published rules concerning market-wide and QHP certification standards, eligibility and enrollment procedures, and other Marketplace-related topics, are defined in 45 C.F.R. Subtitle A, Subchapter B and in COMAR 14.35.07, COMAR 14.35.14, COMAR 14.35.15, & COMAR 14.35.16. Supplemental guidance, and other market rules applicable to issuers, may be found in the most recent Maryland Health Connection Carrier Reference Manual¹ released in December 2018. MHBE expects issuers to consult all applicable regulations, in conjunction with this Letter, to ensure full compliance with the requirements of the Affordable Care Act and other applicable state and federal requirements. Throughout the plan year, qualified plans may be required to correct deficiencies identified in MHBE's post-certification activities, as a result of the investigation of consumer complaints, oversight by the Maryland Insurance Administration (MIA) or by MHBE, or an issuer's own industry standard internal compliance, on-going monitoring, and risk management program. While this Letter explains certain issuer requirements it is not a complete list of the regulatory requirements for issuers.

¹ MHBE Carrier Reference Manual, published December 2018.

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CHAPTER 1: ISSUER ANNUAL CERTIFICATION PROCESS AND STANDARDS

The Affordable Care Act, Sections 31-106 and 31-108 of the Insurance Article, Maryland Code, and COMAR 14.35.15 establish that issuers must meet a number of standards in order to be certified or recertified to operate within the Individual and SHOP Marketplaces. In accordance with these authorities, MHBE has established an Annual Certification Process for health and dental issuers to become certified to offer qualified plans (QHPs and SADPs) on the Individual and SHOP Marketplaces. Unless otherwise specified, the Marketplace refers to the Individual and SHOP Marketplaces.

As in prior years, the certification process will take place during calendar year 2019 for plans effective beginning in 2020. Applications for certification must be submitted annually. MHBE will review, and approve or deny, each application. The process is described in Chapter 3 of the Carrier Reference Manual. Table 1-A-1 provides an overview of the required submission dates for items included in the certification application. MHBE will review the application against the certification standards described in this chapter and Carrier Reference Manual.

A. Submission of the Carrier Certification Application

Annually, each issuer must submit a Carrier Certification Application to MHBE to participate in the Marketplace. The application is updated annually and posted to the MHBE partner website at www.marylandhbe.com. New for the 2020 plan year, MHBE will create a web-based Carrier Application.

As part of the Carrier Certification Application, issuers must also provide the documents listed in Table 1-A-1. Additional information regarding the certification standard addressed by each of these documents is described in section D of this chapter. The table provides due dates for the required documentation and the location of the template for the item, which may be found on [MHBE’s partner website](#) or with the issuer.

Unless otherwise listed in Table 1-A-1, issuers must submit carrier certification data through the secure System for Electronic Rate and Form Filing (SERFF) Binders. Exceptions to this general rule are for biennial Amendments and Restatements of the Carrier Business Agreement and other legal documents that require submission of a physical copy to MHBE.

Issuers should be mindful of the appropriate formatting and specifications of the submissions to ensure timely approval of the Carrier Application.

Table 1-A-1. Carrier Certification Submission Dates

Item Name	Source	Submission Location for Completed Item	Due Date to MHBE
Carrier Application	MHBE	SERFF	July 1, 2019
Carrier Logo	Issuer	SERFF	July 1, 2019
List of Subcontractors Attestation	Issuer	SERFF	July 1, 2019
Carrier Business Agreement – Attestation	MHBE	SERFF	July 1, 2019
Non-Exchange Entity Agreement – Attestation	MHBE	SERFF	July 1, 2019
Network Adequacy Attestation	MHBE	SERFF	July 1, 2019

Item Name	Source	Submission Location for Completed Item	Due Date to MHBE
Provider Directory Attestation	MHBE	SERFF	July 1, 2019
Discriminatory Benefit Design Attestation	MHBE	SERFF	July 1, 2019
Carrier Certification Review Period	MHBE		July 1 – August 15, 2019
Carrier Certification Approval/Denial Notice	MHBE	SERFF/Issuer Point-of-Contact	August 15, 2019

B. Review of Carrier Certification Applications & Certificate of Carrier Authorization

MHBE will review a Carrier Certification Application submitted to MHBE by an issuer within 45 calendar days of receipt of the application. During the review period, MHBE may follow up with the issuer regarding any incomplete application items. All issuers will receive a Carrier Certification Approval or Denial Notice from MHBE within the 45-day period. A Carrier Certification Approval Notice informs the issuer that they are eligible to submit plans for certification by MHBE for the plan year of 2020. Plans submitted to MHBE are required to meet the annual Plan Certification Process and Standards, which are described in the Carrier Reference Manual and Chapter 4 of this Letter.

In such cases where an issuer is denied from participating in the Marketplace, MHBE will provide reasons for the denial and appeal rights to the issuer.

C. Carrier Certification Standards

Issuers must meet certain certification standards to offer plans on the Marketplace. These standards are covered in this section and include licensure and accreditation, among other requirements. These standards are detailed in Chapter 3 of the Carrier Reference Manual. This section includes summary information for each of the standards.

i. Maryland Insurance Administration (MIA) Requirements for Marketplace Participation

Attestation of licensure by the State of Maryland as a risk-bearing entity and operating in good standing with MIA, and adherence to applicable rules and standards in the Insurance Article of the Annotated Code of Maryland. Part of the Carrier Application

ii. Requirement for Accreditation

To be certified to participate in the Marketplace, issuers must be accredited by the National Committee for Quality Assurance or the Utilization Review Accreditation Commission by 2020. MHBE will consider an issuer accredited if it meets the federal accreditation standard at 45 CFR § 156.275, and follows the accreditation timeline under 45 CFR § 155.1045.

Issuers will submit their accreditation information for carrier certification through the carrier application. MHBE will not collect more information than what is submitted to the FFM.

For issuers that offer dental benefits only, this standard will be met if the issuer holds a current and valid MIA Certificate of Authority.

iii. Requirement for an Active Carrier Business Agreement

To be certified to participate in the Marketplace, issuers must have an active Carrier Business Agreement (CBA) on file with MHBE. The most recent iteration of the Carrier Business Agreement was released in 2018. Additional information may be found in the Carrier Reference Manual.

iv. Requirement for an Active Non-Exchange Entity Agreement

To be certified to participate in the Marketplace, issuers must have an active Non-Exchange Entity Agreement (NEEA). An active NEEA is defined as the latest iteration of the NEEA that is signed by MHBE and the issuer and that the signed NEEA is on file with MHBE. The most recent iteration of the NEEA was released in 2018. Additional information may be found in the Carrier Reference Manual.

v. Network Adequacy, and Provider Directory Attestations

Issuers must complete Network Adequacy and Provider Directory Attestations within the Carrier Application. The attestations require that issuers meet their regulatory and statutory obligations on network adequacy and provider directories in accordance with COMAR 31.10.44 and Insurance Article, §15-112(p)(2)(ii), Annotated Code of Maryland.

vi. Additional Requirements

To be certified to participate in the Marketplace, an issuer must also submit the below items to MHBE. Additional specifications for these items may be found in Chapter 3 of the Carrier Reference Manual.

1. Carrier Logo
2. List of Subcontractors
3. Non-Discriminatory Benefit Design Attestation

D. Waiver Authority

MHBE, with the approval of the MHBE Board of Trustees, may grant a waiver to specific provisions described in this chapter. MHBE may grant the waiver with or without corresponding conditions. To request a waiver, the issuer should inquire with their MHBE Account Manager.²

E. Denial, Suspension and Revocation of Certification

MHBE may deny, suspend, revoke or seek other remedies against the QHP issuer offering a plan under Section 31-115(k) of the Insurance Article, Maryland Code for failure to adhere to certification requirements.

Furthermore, MHBE may conduct compliance reviews of a plan during the plan benefit year. The scope of such compliance reviews extends to only include certification standards covered in Section 31-115(k)

² The MHBE Account Manager is the issuer's MHBE Point of Contact for all Plan Management/Operational initiatives. All issuers participating in Maryland Health Connection currently work with an MHBE Account Manager.

of the Insurance Article, Maryland Code. If, as result of such compliance reviews, MHBE finds an issuer to be non-compliant, MHBE will require the issuer to correct and meet compliance. Any denial, suspension or revocation of certification and compliance review findings and corrective action plans are subject to any and all remedies available under state and federal laws and regulations.

CHAPTER 2: QUALIFIED HEALTH PLAN/STAND-ALONE DENTAL PLAN CERTIFICATION PROCESS

The Affordable Care Act, Section 31-115 of the Insurance Article, Maryland Code, and COMAR 14.35.16 establish that QHPs and SADPs must meet a number of standards in order to be certified or recertified to operate within the Marketplace. Several of these are market-wide standards that apply to plans offered in the individual market inside as well as outside of the Marketplace. The remaining standards are specific to qualified plans (QHPs and SADPs) seeking certification or recertification from the Marketplaces.

MHBE has established an Annual Certification Process for certification of qualified plans that a certified issuer would like to offer on the Marketplace. This chapter describes the Individual and SHOP Marketplaces Certification Process for a QHP or SADP to be certified to be offered in the Marketplace. Applicable requirements for SADPs have been clearly identified with "SADP." This timeline will be finalized pending any changes to federal or state requirements, such as in the MIA Bulletin on the 2020 Rate and Form Filing Deadline or the 2020 Notice of Benefit and Payment Parameters.

A. Submission Requirements for QHP/SADP Certification

For a QHP/SADP to be certified for sale through the Marketplace, the plan's issuer must submit the Qualified Plan Certification Application and all required templates for each plan for 2020. Specific details of the documentation within the Plan Certification Application are included in Chapter 4 of the Carrier Reference Manual and within this section.

i. Templates: The templates required as part of the Plan Certification Application are listed in Table 2-A-1. Templates will be located on the CCIIO website for issuer resources at <https://www.qhpcertification.cms.gov/> and the MHBE partner site marylandhbe.com. All items must be submitted through the plan issuer's SERFF Binders. By April 1, 2019, the 2020 SERFF Binders will be available for use in document submission by issuers. Exceptions to this general rule are limited, and may be granted upon request by the issuer and approval by MHBE. Table 2-A-1 includes an initial and final due date. Issuers are encouraged to submit completed templates and supporting documentation, especially if no extensive benefit modifications are expected, earlier than the dates outlined in the table.

For Individual QHP and SADPs, the entire suite of templates and supporting documentation must be uploaded into the 2019 SERFF Binders by July 1, 2019 for preliminary validation. From the period between July 1 and September 20, 2019 MHBE will engage with issuers (Individual QHP and SADP) to begin the data and plan display reconciliation process, which is addressed in further detail in section B of this chapter. Issuers will be unable to view plan data in plan display of the online Maryland Health Connection portal during this period. From September 9 through September 20, 2019, issuers will participate in plan display testing in the Maryland Health Connection User Acceptance Testing Environment.

Issuers must have their final template suite and supporting documentation into their SERFF Binders by September 2, 2019 (for SHOP QHPs and SADPs) and September 20, 2019 (for Individual QHPs). Final certification in the SERFF portal will occur on September 20, 2019 for Individual QHPs and SADPs. From September 21, 2019 until the start of the 2020 Open Enrollment Period, all plan data for Individual QHP and SADPs will be frozen in production until the change request period begins on November 1, 2019.

SHOP issuers are not required to submit CCIIO templates into their binders until after the MIA Rate and Form release date (to be determined by MIA). Plan Management has scheduled the completion of SHOP Plan Certification for September 20, 2019. The SHOP dates may change, subject to Board of Trustees determination for a permanent solution.

Table 2-A-1. Plan Certification Templates and Submission Dates

Item Name	QHP/ SADP	Initial Submission Date to MHBE	Individual - Final Submission Date to MHBE	SADP – Final Submission Date to MHBE	SHOP -Submission Date to MHBE	Description of Item
Plan and Benefits Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Template used to collect plan and benefit details.
Unified Rate Review Template	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Provides information and data necessary for ERR Reasonableness Review, rate increase monitoring and Market Rating Rules Compliance Reviews by states and CMS
Prescription Drug Template	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Template to capture prescription drug tiers and cost-sharing structure
Network Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Template to capture network ID numbers
Service Area Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Information identifying a plan's geographic service area.
Rate Data Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	A table for entering plan rates based on rating area, age, and tobacco use

Item Name	QHP/ SADP	Initial Submission Date to MHBE	Individual - Final Submission Date to MHBE	SADP – Final Submission Date to MHBE	SHOP -Submission Date to MHBE	Description of Item
Plan Crosswalk Template	QHP/ SADP	Not Applicable	September 20, 2019	September 2, 2019	September 2, 2019	Part of 2020 Plan Certification, used in the auto-renewal process to ensure appropriate transfer of enrollees in case of plan exit.
Part II: Consumer Narrative	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Not a requirement for 2020 Plan Certification, provides consumers with information on the basis for an issuer's rate request increase.
Part III: Actuarial Memorandum	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Part of 2020 Plan Certification, provides actuarial written narrative describing and supporting the information provided in Part I.
Partial County Service Area Justification Attestation	QHP	Not Applicable	September 20, 2019	Not Applicable	September 2, 2019	Part of 2020 Plan Certification, justification from any issuer that submits a partial county service area. Issuer without changes from prior plan years may submit an attestation to meet this requirement.
Maryland ECP Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Part of 2020 Plan Certification, collects information from issuers on the number of Essential Community Providers they have contracted with. Used to evaluate network inclusion standard.

ii. Plan Display Reconciliation

A critical part of plan certification is ensuring that the QHP/SADP data displayed to consumers accurately displays premiums, benefits, and cost sharing. This requires an extensive reconciliation process between issuer data, including plan templates and PDFs, and the display outputs of these items in plan shopping.

The Plan Data/Plan Display Reconciliation process is detailed in Table 2-A-2 (Individual & SADP).

Table 2-A-2. Individual QHP/SADP Plan Display Reconciliation Timeline

Event/Period	Entity Responsible for Event/Period	Date of Action	Action Description	Source/ Submission Format
Preliminary Template Submission	Issuers	July 1, 2019	Issuers submit full suite of Plan Management Templates.	SERFF
Validation Analysis	MHBE	July 15, 2019	MHBE will analyze submitted templates for Plan Management Application Validation. MHBE will provide specific required changes to ensure validation.	SERFF Note to Filer
First Round Template Submission	Issuers	July 29, 2019	Issuers will submit full suite of Plan Management Templates with validation changes. Submissions that require no changes do not need to be resubmitted.	SERFF
Extract Analysis + Feedback	MHBE	August 5, 2019	MHBE will deliver to Issuers Plan Management Module Extracts + Feedback. MHBE will provide specific required changes to ensure an improved data extract.	SERFF Note to Filer
Second Round Template Submission	Issuers	August 12, 2019	Issuers will submit full suite of Plan Management Templates with extract changes.	SERFF
Extract Analysis/Plan Display Printouts	MHBE	August 19, 2019	MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs. MHBE will provide gap analysis between submitted Plan Shopping Tile and Plan Compare Templates and Plan Display Print-outs. MHBE will provide specific required changes to ensure an improved Plan Display.	SERFF Note to Filer

Event/Period	Entity Responsible for Event/Period	Date of Action	Action Description	Source/ Submission Format
Third Round Template Submission	Issuers	August 26, 2019	Issuers will submit full suite of Plan Management Template with plan display changes.	SERFF
Extract Analysis/ Plan Display Print-outs	MHBE	September 2, 2019	MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs. MHBE will provide gap analysis between submitted Plan Shopping Tile and Plan Compare Templates and Plan Display Print-outs. MHBE will provide specific required changes to ensure an improved Plan Display.	SERFF Note to Filer
Live Module Data Review	Issuers/ MHBE	September 9, 2019	Issuers will perform data review in the Maryland Health Connection Anonymous Browsing UAT environment + Template Fixes and Submissions. MHBE will provide specific required changes to ensure an improved Plan Display.	MHC Anonymous Browsing + SERFF + SERFF Note to Filer
Issuer Signoff	Issuers	Before September 20, 2019	Issuers will sign-off on plans displayed in UAT environment.	MHC Anonymous Browsing + SERFF Disposition
Final Binder Submission	Issuers	September 20, 2019	Issuers will submit finalize Plan Management Template Suite into SERFF.	SERFF
Plan Upload into Production	MHBE	September 27, 2019	MHBE will upload the final template in production no later than September 27.	MHC Plan Management Module – Production

SHOP QHP Display Reconciliation

Display reconciliation instructions for SHOP QHPs are to be determined at this time, pending further action by the MHBE Board of Trustees for a permanent SHOP solution. MHBE Staff will release guidance on display reconciliation shortly after the Board action.

Plan Data/Template Point-of-Contact

To facilitate the plan data reconciliation process, issuers are required to submit an Issuer/Administrator Point of Contact for Template Error Resolution to MHBE. This information must include: Legal Entity/Issuer, Name, Title, Phone Number and Email. This information is due

to MHBE Plan Management by September 9, 2018. An email to mhbe.carriers@maryland.gov is sufficient to provide this information.

iii. Special Enrollment Period for Consumer Enrollment Resulting from Data Errors in Plan Display
MHBE expects robust issuer participation in the plan display reconciliation process to ensure that consumers on Maryland Health Connection enroll with clear expectations of a QHP/SADP's benefits (including cost-sharing), service area, and premium. It should be noted that consumers who enroll in plans with a materially erroneous data display, and demonstrate that the erroneous data influenced the consumer's enrollment decision, are eligible for a special enrollment period under 45 CFR § 155.420 (d)(12). As in previous years, MHBE staff will work with partner issuers to ensure minimal errors in plan display.

B. Review of Plan Certification Applications & Certificate of Plan Certification

MHBE must review a Plan Certification Application submitted to MHBE by an issuer within 45 calendar days of receipt of the application. During the review period, MHBE may follow up with the plan's issuer regarding any incomplete application items. After the 45-day period, all issuers will receive a Plan Certification Approval or Denial Notice from MHBE (with information on issuer options for appeal). A Plan Certification Approval Notice informs the issuer that they are eligible to offer the plan through the Marketplace for the applicable plan year. The plan certification period begins on the date of confirmation of receipt of a complete plan certification application package by the MHBE Account Manager.

C. Waiver Authority³

MHBE, with the approval of the MHBE Board, may waive specific provisions described in this chapter. MHBE may grant the waiver with or without corresponding conditions. To request a waiver, the issuer should inquire with their MHBE Account Manager.

D. Denial, Suspension and Revocation of Certification⁴

MHBE may deny, suspend, revoke or seek other remedies against the QHP/SADP issuer offering a plan under Section 31-115(k) of the Insurance Article, Maryland Code.

Furthermore, MHBE may conduct compliance reviews of a plan during the plan benefit year. The scope of such compliance reviews extends to only include certification standards covered under Section 31115(k) of the Insurance Article, Maryland Code. Any denial, suspension or revocation of certification and compliance review findings and corrective action plans are subject to any and all remedies available under state and federal laws and regulations.

If, as result of such compliance reviews, MHBE finds a QHP/SADP to be non-compliant, MHBE will require the QHP/SADP issuer to correct and meet compliance. If an issuer chooses to withdraw from the Exchange or the plan is decertified by MHBE, the issuer shall follow Plan Management Guidance as specified by MHBE.

³ COMAR 14.35.16.

⁴ See footnote three.

CHAPTER 3. OFF-EXCHANGE SADP CERTIFICATION PROCESS AND STANDARDS

MHBE will continue to certify Off-Exchange Stand-Alone Dental Plans (SADPs). Issuers must complete an application after receiving rate and form approval from MIA.

A. Off-Exchange SADP Submission Requirements & Submission Timeline

SADPs that participate in the Exchange-Certified program are required to submit an Off-Exchange Dental Carrier Application and provide MHBE with notice of intent to participate after they have been approved by MIA. Exchange certification of the plan can occur any time, prospectively, or within, an eligible plan year.

Unless otherwise directed by MHBE, issuers must submit plan certification data through the secure System for Electronic Rate and Form Filing (SERFF) Binders. Exceptions to this general rule are limited, and non-allowable before rate release by MIA.

MHBE has 45 calendar days from the beginning of the plan certification period to notify the issuer of approval or denial to offer qualified plans on the Marketplace. In such cases where a single plan or a product-type is denied to participate on the Marketplace, MHBE will provide to the issuer the reasons for denial and instructions to reapply or appeal.

B. Certification Standards

In order to be certified as an Off-Exchange SADP, plans are required to:

- i. Cover the State benchmark pediatric dental essential health benefits;
- ii. Comply with annual limits and lifetime limits applicable to essential health benefits;
- iii. Comply with rules applicable to stand-alone dental plans under 45 CFR § 156.150

CHAPTER 4: QUALIFIED PLAN (QHP AND SADP) CERTIFICATION STANDARDS

The Affordable Care Act, Sections 31-106 and 31-108 of the Insurance Article, Maryland Code, and COMAR 14.35.16, establish that QHPs and SADPs must meet a number of standards in order to be certified or recertified as QHPs and SADPs for sale in the Individual and SHOP Marketplaces.

MHBE notes that issuers must comply with the Rate and Form Review procedures established by the MIA in its annual bulletin to issuers. MHBE will provide the MIA with issuer Marketplace data, upon request, to support rate and form review. Further, issuers must comply with the rate increase notification requirements under 45 CFR § 155.1020.

MHBE continues to review its Marketplace participation policies to determine if they continue to meet the needs for supporting consumer choice. MHBE must certify QHPs that are in the interest of qualified individuals as determined by MHBE pursuant to the Affordable Care Act § 1311(e)(1)(B), 45 CFR §155.1000(c)(2), and Insurance Article, § 31-115(b)(7), Maryland Code.

A. Existing Qualified Plan Standards

As this Chapter presents proposed policy that is new for the 2020 plan year, issuers that seek to offer coverage on Maryland Health Connection must also meet compliance with existing qualified plan certification policy. These existing standards may be found in Chapter 4 of the Carrier Reference Manual released in 2018.

B. Final 2020 Qualified Plan Standards

The MHBE Board of Trustees adopted final 2020 Qualified Plan Standards specified at the January 22, 2019 session. This section includes a synthesis of the stakeholder feedback for each of the policy proposals, MHBE responses thereof, and the final 2020 Qualified Plan Standards. MHBE has also included technical guidance, to aid issuers in implementation, throughout.

i. Public Comment Period & Amendments to Proposed 2020 Qualified Plan Standards

Five stakeholders submitted formal responses during the public comment period for the DRAFT 2020 Letter. The submitters include three issuers (two health issuers and one SADP) and two consumer advocacy organizations. All submitters expressed support for each of the policy priorities identified in the DRAFT 2020 Letter:

1. Reduce Consumer Exposure to High Healthcare Costs & Lower Premiums
2. Increase Consumer Choice
3. Expand Access to Care
4. Lower Costs

While all indicated support for the policy priorities, stakeholder support for each of MHBE's proposed policies varied. It is important to note that the 2020 Qualified Plan Standards were finalized with consideration of all stakeholder insight, resulting in amendments to some of the proposed standards.

ii. Reduce Consumer Exposure to High Healthcare Costs & Lower Premiums – Out-of-pocket costs

In the DRAFT 2020 Letter, MHBE proposed several standards that sought to address consumer affordability issues. With respect to reducing out-of-pocket-costs, the proposed standard required issuers participating on Maryland Health Connection to offer certain standard plans based off the recommendations established by the 2017 Standardized Benefit Design Work Group. The proposal would provide consumers with access to on-Exchange QHP options with MHBE prescribed cost-sharing for specific service categories with the goal of reducing out-of-pocket costs at the point-of-service.

A majority of submitters supported the proposed standard with each providing insights they recommend MHBE consider. Both consumer advocacy organizations expressed support for standard plans. One noted that such a proposal had the potential to address rising out of pocket costs. Another noted that MHBE should consider how to best market and differentiate these plans to maximize impact. Support for the proposal varied among issuer respondents. One issuer was supportive of the proposed standard but expressed serious concern over the implementation timeline, given the March 1, 2019 form filing deadline (for coverage effective January 1, 2020). The issuer recommended that MHBE delay the standard to 2021. The other issuer opposed the standard, citing that 1) federal actuarial value requirements limit flexibility to modify cost-sharing for all consumers; 2) there are other options that would be more efficient at reducing consumer out-of-pocket costs; and 3) timeline concerns given the delayed availability of the federal actuarial value calculator (now available as of January 17, 2019) and the March 1, 2019 form filing deadline.

MHBE believes that the adopted standard balances the timeline concerns presented by the issuers with the public need to address rising out-of-pocket costs. Table 4-B-1 provides the final 2020 Qualified Plan Certification requirements that replaces the standard plan proposal.

Table 4-B-1. 2020 Qualified Plan Certification Standard – Out-of-pocket Costs.

“Value” plans	
1.	Standard plans are deferred for 2020 and will be included for evaluation in the 2019 Affordability Work Group with potential adoption in 2021.
2.	Issuers must offer at least one bronze plan, called a “Value” plan, with certain number of certain services available before deductible.
3.	Issuers must offer at least one, non-HSA silver “Value” plan with certain services before a certain deductible.
4.	Issuers must offer at least one, non-HSA gold “Value” plan with certain services before a certain deductible

a. “Value” plans.

In response to public feedback on the increasing consumer cost-sharing and rising out-of-pocket costs in QHPs offered through Maryland Health Connection (see [Draft 2020 Letter to Issuers Seeking to Participate in Maryland Health Connection](#)), MHBE will require that issuers offer “Value” plans, that meet certain cost sharing and branding requirements, at the bronze, silver, and gold coverage metal levels. It should be noted that MHBE seeks to implement the standard through a phased approach. Additionally, the standard will be further developed through the 2019 Affordability Work Group as a starting point for addressing affordability issues. Table 4-B-2 below details specific QHP requirements for the 2020 plan year.

Table 4-B-2. “Value” plan offering requirements for the 2020 plan year.

Requirements	Bronze	Silver	Gold
Minimum offering	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.
Branding	Required for 2020.	Optional.	Optional.
Deductible ceiling	No requirement. Lower deductibles are encouraged.	\$2500 or less.	\$1000 or less.
Set Office Visits Before Deductible	Issuer may allocate no less than three office visits across the following settings: <ul style="list-style-type: none"> • Primary Care Visit (not including preventive care) • Urgent Care Visit • Specialist Visit 	No requirement.	No requirement.

Requirements	Bronze	Silver	Gold
Services Before Deductible	See 'Office Visits Before Deductible' above.	The following services must be offered as copays before deductible: <ul style="list-style-type: none"> • Primary Care Visit • Urgent Care Visit • Specialist Care Visit • Laboratory Tests • X-rays and Diagnostics • Imaging 	The following services must be offered as copays before deductible: <ul style="list-style-type: none"> • Primary Care Visit • Urgent Care Visit • Specialist Care Visit • Laboratory Tests • X-rays and Diagnostics • Imaging • Generic Drugs
Encouraged Services Before Deductible		The following services are strongly encouraged to be offered as copays before deductible: <ul style="list-style-type: none"> • Generic Drugs 	
Limitations & Exceptions	No requirement.	No requirement.	No requirement.
Facility Fees	No requirement.	No requirement.	No requirement.

b. Value Bronze Plan office visits requirement.

Under the “Value” Bronze three office visits requirement issuers may allocate, at minimum, any three office visits across the Primary, Urgent, and Specialist Care Visits. Issuers are encouraged to allow maximum consumer flexibility to the extent possible under existing technical/operational limitations. To incentivize appropriate utilization of lower cost sites of care MHBE strongly recommends the inclusion of at least one urgent care visit in the selected allocation. It

The 2019 Affordability Work Group will consider avenues to maximize the consumer flexibility of the three office visit requirement. To support innovation in this space, MHBE will gather the relevant expertise from other states/issuers that have offered, and priced for, flexible cost-sharing/utilization design under existing federal actuarial value and reporting requirements.

c. Branding requirements.

For the 2020 plan year, MHBE will require “Value” branding for bronze QHPs. Branding for the other metal levels will be explored after consultation with the 2019 Affordability Work Group. Given the expected contrast between currently offered bronze QHPs and the “Value” bronze QHPs, MHBE believes the additional branding will be helpful to consumers in identifying the distinction between bronze QHPs.

d. Issuer offering requirement.

For the 2020 plan year, MHBE clarifies that “Value” plan offering requirements will be applied at the branded, holding company level. To maximize impact and reduce administrative burden, it is recommended that branded holding companies offering plans with multiple product types, offer “Value” plans in the product with the greatest share of the holding company’s enrollment and span of service area. MHBE recommends that holding companies offer “Value” plans under HMO product lines.

e. Other QHP offerings.

MHBE understands that “Value” plan requirements will increase QHP actuarial value and potentially premiums. “Value” plans are intended to supply consumers with alternative options that provide minimum expectations of the services that will be offered before deductible. MHBE encourages issuers to offer additional QHPs with lower actuarial value to support premium affordability for unsubsidized consumers and provide distinct options within each metal level.

MHBE also encourages issuers to consider the entirety of their product portfolios as they pertain to consumer access to premium tax credits within their respective service areas.

f. Mapping cost-sharing with services provided.

MHBE expects that issuers use the same service to cost-sharing mapping utilized when completing Plan and Benefits Templates and Summary of Benefits and Coverage.

g. Services before deductible deferred for 2020.

MHBE will defer before deductible/cost sharing requirements for preferred brand, non-brand, and specialty drugs until prescription drugs are deliberated by the 2019 Affordability Work Group. MHBE will also defer Emergency Room Visit deductible requirements for the 2020 plan year.

h. About Doctors in This Plan (PDF).

Currently issuers may supply MHBE with additional provider network information via the *About Doctors in This Plan (PDF)*. MHBE will amend this option to allow issuers to supply additional information about their QHP offerings that may not be detailed, or described, through the Summary of Benefits and Coverage standard format. While issuers must still supply additional descriptive information about their provider networks, they may also provide:

- Information on their chronic disease management/cost-sharing programs
- Information on wellness/incentive programs
- Information on telemedicine services
- Other information

The URL will be retitled to reflect the change in provided information.

iii. Reduce Consumer Exposure to High Healthcare Costs & Lower Premiums – Premiums and Benefits

The Draft 2020 Letter presented two proposals that would provide reports with recommendations on 1) how MHBE might maximize affordability with respect to premiums and out-of-pocket costs for certain populations and 2) whether the benefits included in the State Benchmark Plan continues to meet certain needs

With respect to the first proposal, all submitters expressed support for the proposed standard. Issuers recommended that additional time be added to the report timeline. One consumer advocacy organization noted the importance of affordability for unsubsidized consumers. The other consumer advocacy organization strongly recommended that consumer advocates be represented on the work group.

MHBE adopted the standard, with amendment, to extend the timeline for additional deliberation.

Table 4-B-3. 2020 Qualified Plan Certification Standard - Affordability.

2019 Affordability Work Group	
5.	For plan year 2021 MHBE Staff will assemble a diverse, representative work group to develop a report with recommendations on policy solutions that will: <ul style="list-style-type: none">• Reduce out-of-pocket costs• Maximized APTC for subsidized consumers• Maximize affordability for unsubsidized consumers The report should be due to the MHBE Board no later than May 31, 2019.

With respect to the second proposal, all submitters expressed support for the proposed standard. One consumer advocacy organization notes that such a work group provides the opportunity to address how the state might better address consumers broadly and those with specific health needs (behavioral health/chronic conditions, etc.). The other consumer advocacy organization offered a recommendation to include “consumers it serves” as an additional factor in the analysis of the State Benchmark Plan.

MHBE adopted the standard as proposed. MHBE will be sure to include consumer well-being in the analytical framework developed to evaluate the State Benchmark Plan.

Table 4-B-4. 2020 Qualified Plan Certification Standard – Essential Health Benefits.

2019 Affordability Work Group	
6.	MHBE Staff will provide a report on the benefits in the State Benchmark Plan to: <ul style="list-style-type: none">• Determine whether the current benchmark plan meets the needs of the individual market.• Provide recommendations on whether to leverage new state flexibility to modify the State Benchmark Plan

2019 Affordability Work Group	
	<ul style="list-style-type: none">• Report must include feedback from the Standing Advisory Committee, market impact of the change, and estimated savings/costs of the approach.• Report must have a public comment period of no less than 30 days. <p>The report should be due to the MHBE Board no later than April 30, 2019.</p>

iv. Increase Consumer Choice

In the DRAFT 2020 Letter, MHBE requested comment on two policy proposals that are intended to increase consumer choice and access to alternative, broad network options that offer lower premiums. The first proposal would require issuers that offer at least one additional product type on Marketplace if offered off-Marketplace, in the small group market, or the state employee health benefit program. The second proposal would bar Preferred Provider Organizations from participating on the Marketplace without an Exclusive Provider Organization offered as an alternative.

Submitters varied in their support of the proposals. Both consumer advocacy groups expressed support of this standard citing the potential to expand consumer choice in areas currently served by a single issuer. An issuer is supportive of the intent of this proposed standard but requests a comment period of 30 to 60 days to gather the relevant information to provide a substantive response. Another issuer is not supportive of the standard citing that 1) the first proposal would increase consumer choice of product types but would not increase choice with respect to issuers and would increase administrative costs; and 2) the second proposal would be unlikely to reduce costs as the proposal does not address the adverse selection within the market. The issuer also noted timeline concerns given the short period available to submit plans for 2020.

MHBE understands that issuers would require ample advance notice to develop plans and products to meet the standard. Further, MHBE also understands that additional review and deliberation is necessary given the material impact the proposals may have on marketplace dynamics, i.e. premium tax credits, etc.

MHBE did not adopt either proposal for the 2020 plan year. Instead MHBE resolves to collect more insight on these proposals through the 2019 Affordability Work Group.

v. Expand Access to Care

In the DRAFT 2020 Letter, MHBE presented a proposal to develop a state-based Essential Community Providers (ECP) petition process to add providers that meet state and federal definitions to the ECP list. MHBE also proposed to issue additional guidance on implementation of the process and a timeline for when new ECPs may be added to the denominator for the network inclusion standard.

All submitters supported the proposed standard. MHBE adopted the standard as proposed.

Table 4-B-5. 2020 Qualified Plan Certification Standard – Access to care.

Essential Community Providers Petition Process	
7.	For the 2020 Plan Year, MHBE will develop a petition process for additions to the Essential Community Providers (ECP) list for providers that meet the federal and state ECP definition. MHBE will engage with stakeholders to develop a timeline for when additions become effective.

C. 2020 Standards for Stand-alone Dental Plans

MHBE adopted the below standard, as proposed, for Stand-alone Dental Plans. All submitters supported the proposal.

Table 4-C-1. 2020 Qualified Plan Certification Standard – Stand-alone Dental Plans.

SADP Offering Rules	
8.	For the 2020 Plan Year, MHBE will develop a petition process for additions to the Essential Community Providers (ECP) list for providers that meet the federal and state ECP definition. MHBE will engage with stakeholders to develop a timeline for when additions become effective.

CHAPTER 5: ISSUER REQUIREMENTS FOR THE 2019 STATE REINSURANCE PROGRAM.

This chapter details issuer requirements for participation in the 2019 State Reinsurance Program (SRP) under Md. INSURANCE Code Ann. § 31-117. Issuers should also refer to regulations under COMAR 14.35.17 for information on other requirements under the State Reinsurance Program.

For the 2019 and 2020 years of the SRP, MHBE will enter into an agreement with the Centers for Medicare and Medicaid Services (CMS) to administer the SRP by using the External Data Gathering Environment (EDGE) server infrastructure. Issuers will continue to follow EDGE server data submission timelines, and protocols, as under the Risk Adjustment program. For 2021 and future years, MHBE will implement a state-based EDGE server infrastructure with software support from CMS. Additional information on this approach may be found in *Waiver Concept D: Risk Stabilization Strategies* of the *Section 1332 State Relief and Empowerment Waiver Concepts Discussion Paper* released by CMS.⁵

For 2019 and 2020, payment under the SRP will be based off reinsurance reports received from CMS. CMS will configure payment calculations based on MHBE provided program parameters. After receipt of the reinsurance reports MHBE will apply *carrier-specific adjustment factors*, to account for SRP interaction with risk adjustment, to determine the final payment.

It should be noted that this approach was approved through Maryland’s 1332 Waiver and is a result of MHBE’s commitment to reduce issuer administrative burden.

A. Parameters for the 2019 State Reinsurance Program

The MHBE Board of Trustees set the final parameters for the 2019 SRP at the January 22, 2019 session. For 2019, the SRP will remit payments for eligible claims according to the below parameters:

⁵ <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/Waiver-Concepts-Guidance.PDF>

Table 5-A-1. 2019 State Reinsurance Program Parameters.

Parameters	2019
Attachment Point:	\$20,000
Coinsurance Rate:	80%
Cap:	\$250,000
Carrier-specific Adjustment Factor	To be set in 2019

B. Program Operations

For the 2019 and 2020 SRP years, issuers are expected to continue regular data submission operations to their EDGE servers as under the risk adjustment program. As CMS and MHBE develop the agreement for transitional administrative services, MHBE will inform issuers about any operational impacts thereof. MHBE will remit reinsurance payments under the 2019 SRP no later than October 31, 2020.

C. State Reinsurance Program Attestation

As the requirement to submit claims data to MHBE will be delegated to CMS for 2019 and 2020, issuers submitting claims under the SRP must submit an attestation to the Maryland Health Benefit Exchange (MHBE) attesting compliance with COMAR 14.35.17.05 and the distributed data environments, data requirements, establishment and usage of masked enrollee identification numbers, and data submission deadlines outlined in 45 C.F.R. 153 Subpart H –Distributed Data Collection for HHS-Operated Programs (153.700 –153.730).

The attestation will be made available to issuers shortly after the publication of this Letter. The signed attestation should be mailed to MHBE. A copy of the signed attestation may be submitted through issuer SERFF binders.