



**Date: February 10, 2020**

**From: The Maryland Health Benefit Exchange**

**To: Issuers Seeking to Participate in Maryland Health Connection in 2021**

**Title: Final 2021 Letter to Issuers Seeking to Participate in Maryland Health Connection**

The Maryland Health Benefit Exchange (MHBE) is releasing this 2021 Letter to Issuers (the Letter). This Letter provides guidance to issuers seeking to offer qualified plans, which include Qualified Health Plans (QHPs) and Stand-Alone Dental Plans (SADPs), through Maryland Health Connection on the Individual and Small Business) Marketplaces. Unless otherwise specified, references to the Marketplace include both the Individual and Small Business 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. and 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 Manual finalized in January 2020. 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.

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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 Small Business 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 Small Business Marketplaces. Unless otherwise specified, the Marketplace refers to the Individual and Small Business Marketplaces.

As in prior years, the certification process will take place during calendar year 2020 for plans effective beginning in 2021. 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 the 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](http://www.marylandhbe.com). For the 2021 plan year, MHBE will continue using 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 each 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   | MHBE website                           | July 6, 2020     |
| Carrier Logo                             | Issuer | SERFF                                  | July 6, 2020     |
| List of Subcontractors Attestation       | Issuer | SERFF                                  | July 6, 2020     |
| Carrier Business Agreement – Attestation | MHBE   | SERFF                                  | July 6, 2020     |

| Item Name                                    | Source | Submission Location for Completed Item | Due Date to MHBE         |
|--|--------|--|--------------------------|
| Non-Exchange Entity Agreement – Attestation  | MHBE   | SERFF                                  | July 6, 2020             |
| Network Adequacy Attestation                 | MHBE   | SERFF                                  | July 6, 2020             |
| Provider Directory Attestation               | MHBE   | SERFF                                  | July 6, 2020             |
| Discriminatory Benefit Design Attestation    | MHBE   | SERFF                                  | July 6, 2020             |
| Carrier Certification Review Period          | MHBE   |  | July 6 – August 15, 2020 |
| Carrier Certification Approval/Denial Notice | MHBE   | SERFF/Issuer Point-of-Contact          | August 15, 2020          |

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

MHBE must review a Carrier Certification Application submitted to MHBE by an issuer within 45 calendar days of receipt of the completed application. MHBE will notify an issuer if its submitted application is not considered complete and which items are outstanding. 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 2021. 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 operating in good standing with MIA, and adherence to applicable rules and standards in the Insurance Article of the Annotated Code of Maryland. This will be collected as 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 2021. 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 2019. 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 released by MHBE, and which is signed by MHBE and the issuer and is on file with MHBE. The most recent iteration of the NEEA was released in 2019. 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.

Issuers must also adhere to Network Adequacy submission requirements for the Maryland Insurance Administration (MIA). For more information visit the MIA website.

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.<sup>1</sup>

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<sup>1</sup> 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.

### **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) of the Insurance Article, Maryland Code. If, as a 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 is 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 Small Business Marketplaces Certification Process for a QHP or SADP to be certified and offered in the Marketplace. Applicable requirements for SADPs have been clearly identified with "SADP." Subject to any changes to federal or state requirements, such as in the MIA Bulletin on the 2021 Rate and Form Filing Deadline<sup>2</sup> or the 2021 Notice of Benefit and Payment Parameters, the following dates are considered finalized.

#### **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 2021. 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 <https://www.marylandhbe.com>. All items must be submitted through the plan issuer's SERFF Binders. By April 1, 2020, the 2021 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,

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<sup>2</sup> <https://insurance.maryland.gov/Insurer/Documents/bulletins/20-01-2020-ACA-Rate-and-Form-Filing.pdf>

especially if no extensive benefit modifications are expected, earlier than the dates outlined in the table.

For Individual QHPs and SADPs, the entire suite of templates and supporting documentation must be uploaded into the 2020 SERFF Binders by July 6, 2020 for preliminary validation. From the period between July 6 and September 18, 2020 MHBE will engage with Individual QHP and SADP issuers 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 August 17 through August 28, 2020, issuers are required to 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 7, 2020 (for Small Business QHPs and SADPs) and September 18, 2020 (for Individual QHPs). Final certification in the SERFF portal will occur on September 18, 2020 for Individual QHPs and SADPs. From September 19, 2020 until the start of the 2021 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, 2020.

Small Business 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 Small Business Plan Certification for September 21, 2020.

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

| Item Name                    | QHP/<br>SADP | Initial<br>Submission<br>Date to MHBE | Individual -<br>Final Submission<br>Date to MHBE | SADP – Final<br>Submission<br>Date to MHBE | SHOP -<br>Submission Date<br>to MHBE | Description of<br>Item   |
|------------------------------|--------------|---------------------------------------|--|--|--------------------------------------|--|
| Plan and Benefits Template   | QHP/<br>SADP | July 6, 2020                          | Sept. 18, 2020                                   | Sept. 7, 2020                              | Sept. 7, 2020                        | Template used to collect plan and benefit details.   |
| Unified Rate Review Template | QHP          | July 6, 2020                          | Sept. 18, 2020                                   | Not Applicable                             | Sept. 7, 2020                        | 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 6, 2020                          | Sept. 18, 2020                                   | Not Applicable                             | Sept. 7, 2020                        | Template to capture prescription drug tiers and cost-sharing structure   |



| <b>Item Name</b>                                      | <b>QHP/<br/>SADP</b> | <b>Initial<br/>Submission<br/>Date to MHBE</b> | <b>Individual -<br/>Final Submission<br/>Date to MHBE</b> | <b>SADP – Final<br/>Submission<br/>Date to MHBE</b> | <b>SHOP -<br/>Submission Date<br/>to MHBE</b> | <b>Description of<br/>Item</b>  |
|---|----------------------|--|---|---|---|---|
| Network Template                                      | QHP/<br>SADP         | July 6, 2020                                   | Sept. 18, 2020  | Sept. 7, 2019                                       | Sept. 7, 2020                                 | Template to capture network ID numbers  |
| Service Area Template                                 | QHP/<br>SADP         | July 6, 2020                                   | Sept. 18, 2020  | Sept. 7, 2019                                       | Sept. 7, 2020                                 | Information identifying a plan's geographic service area.   |
| Rate Data Template                                    | QHP/<br>SADP         | July 6, 2020                                   | Sept. 18, 2020  | Sept. 7, 2019                                       | Sept. 7, 2020                                 | A table for entering plan rates based on rating area, age, and tobacco use  |
| Plan Crosswalk Template                               | QHP/<br>SADP         | July 6, 2020                                   | Sept. 18, 2020  | Sept. 7, 2019                                       | Sept. 7, 2020                                 | Part of 2021 Plan Certification, used in the auto-renewal process to ensure appropriate transfer of enrollees in case of plan exit.   |
| Part II:<br>Consumer Narrative                        | QHP                  | July 6, 2020                                   | Sept. 18, 2020  | Not Applicable                                      | Sept. 7, 2020                                 | Not a requirement for 2021 Plan Certification, provides consumers with information on the basis for an issuer's rate request increase.  |
| Part III:<br>Actuarial Memorandum                     | QHP                  | July 6, 2020                                   | Sept. 18, 2020  | Not Applicable                                      | Sept. 7, 2020                                 | Part of 2021 Plan Certification, provides actuarial written narrative describing and supporting the information provided in Part I.   |
| Partial County Service Area Justification Attestation | QHP                  | Not Applicable                                 | Sept. 18, 2020  | Not Applicable                                      | Sept. 7, 2020                                 | Part of 2021 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. |

| Item Name                | QHP/<br>SADP | Initial<br>Submission<br>Date to MHBE | Individual -<br>Final Submission<br>Date to MHBE | SADP – Final<br>Submission<br>Date to MHBE | SHOP -<br>Submission Date<br>to MHBE | Description of<br>Item  |
|--------------------------|--------------|---------------------------------------|--|--|--------------------------------------|---|
| Maryland ECP<br>Template | QHP/<br>SADP | July 6, 2020                          | Sept. 18, 2020                                   | Sept. 7, 2019                              | Sept. 7, 2020                        | Part of 2021 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 URLs, and the display outputs of these items in plan shopping. Beginning in 2020, plan display reconciliation will include issuers participating in the Small Business Marketplace. Issuers offering plans for small businesses should follow the reconciliation process as detailed in Table 2-A-2 (Individual & Small Business QHP/SADP Plan Display Reconciliation Timeline).

**Table 2-A-2. Individual and Small Business QHP/SADP Plan Display Reconciliation Timeline**

| Event/Period                          | Entity<br>Responsible<br>for<br>Event/Period | Date of Action | Action Description   | Source/<br>Submission Format |
|---------------------------------------|--|----------------|--|------------------------------|
| Preliminary<br>Template<br>Submission | Issuers                                      | July 6, 2020   | Issuers submit full suite of Plan Management Templates.  | SERFF                        |
| Validation<br>Analysis                | MHBE   | July 20, 2020  | MHBE will analyze submitted templates for Plan Management Application Validation.<br><br>MHBE will provide specific required changes to ensure validation.     | SERFF Note to Filer          |
| First Round<br>Template<br>Submission | Issuers                                      | July 31, 2020  | Issuers will submit full suite of Plan Management Templates with validation changes.<br><br>Submissions that require no changes do not need to be resubmitted. | SERFF                        |

| <b>Event/Period</b>                       | <b>Entity Responsible for Event/Period</b> | <b>Date of Action</b> | <b>Action Description</b>   | <b>Source/ Submission Format</b>                     |
|---|--|-----------------------|---|--|
| Extract Analysis + Feedback               | MHBE                                       | August 3, 2019        | MHBE will deliver to Issuers Plan Management Module Extracts + Feedback.<br><br>MHBE will provide specific required changes to ensure an improved data extract.   | SERFF Note to Filer                                  |
| Second Round Template Submission          | Issuers                                    | August 10, 2019       | Issuers will submit full suite of Plan Management Templates with extract changes.   | SERFF  |
| Extract Analysis/Plan Display Printouts   | MHBE                                       | August 17, 2020       | MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs.<br><br>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                                  |
| Third Round Template Submission           | Issuers                                    | August 24, 2020       | Issuers will submit full suite of Plan Management Template with plan display changes.   | SERFF  |
| Live Module Data Review                   | Issuers/ MHBE                              | August 28, 2020       | Issuers will perform data review in the Maryland Health Connection Anonymous Browsing UAT environment + Template Fixes and Submissions.<br><br>MHBE will provide specific required changes to ensure an improved Plan Display.  | MHC Anonymous Browsing + SERFF + SERFF Note to Filer |
| Extract Analysis/ Plan Display Print-outs | MHBE                                       | August 31, 2020       | MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs.<br><br>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                  |
|-----------------------------|-------------------------------------|-----------------------|---|--|
| Final Binder Submission     | Issuers                             | Sept. 20, 2020        | Issuers will submit final Plan Management Template Suite into SERFF.  | SERFF                                      |
| Issuer Signoff              | Issuers                             | Before Sept. 25, 2020 | Issuers will sign-off on plans displayed in UAT environment.  | MHC Anonymous Browsing + SERFF Disposition |
| Plan Upload into Production | MHBE                                | Sept. 25, 2020        | MHBE will target uploading the final templates into production by September 25 <sup>th</sup> , and will upload the final templates in production no later than October 1st. | MHC Plan Management Module – Production    |

*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. MHBE will collect this information via the Carrier Application.

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 completed application. MHBE will notify an issuer if its’ submitted application is not considered complete and which items are outstanding. 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 Authority<sup>3</sup>**

MHBE, with the approval of the MHBE Board, may waiver 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.

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<sup>3</sup> COMAR 14.35.16.

#### **D. Denial, Suspension and Revocation of Certification**<sup>4</sup>

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. Denials, suspensions, revocations of certification, 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.

### **CHAPTER 3. OFF-EXCHANGE SADP CERTIFICATION PROCESS AND STANDARDS**

MHBE will continue to certify Off-Exchange 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; and
- iii. Comply with rules applicable to stand-alone dental plans under 45 CFR § 156.150.

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<sup>4</sup> See footnote two.

## **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 Small Business 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**

This Chapter presents policies that are new for the 2021 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 2020.

### **B. Final 2021 Qualified Plan Standards**

This section reviews the final 2021 Qualified Plan Standards that are new for 2021. MHBE has also included technical guidance, to aide issuers in implementation, throughout.

#### **i. Public Comment Period & Amendments to Proposed 2021 Qualified Plan Standards**

At the September 16, 2019 session, the MHBE Board of Trustees reviewed proposed 2021 Qualified Plan Standards. The Board voted to release the proposed standards for public comment. The proposed standards were published to the MHBE public comment webpage on September 26 and comments were accepted through October 15.

Four stakeholders submitted formal responses during the public comment period for the Proposed Plan Certification Standards. The submitters included one issuer, an insurance broker, a state agency, and a consumer advocacy organization.

The MHBE Board of Trustees adopted final 2021 Qualified Plan Standards specified at the November 18, 2019 session. It is important to note that the 2021 Qualified Plan Standards were finalized with consideration of all stakeholder insight, resulting in amendments to some of the proposed standards.

On December 20, 2019, MHBE published the Draft 2021 Letter to Issuers Participating in Maryland Health Connection for comment through January 16, 2019. MHBE received additional issuer questions and concerns related to implementation, and related administrative burden, of the 2021 plan certification standard requiring SHOP issuers to offer at least one QHP at the

bronze, silver, and gold metal levels that allows for Composite Rating for employers seeking to offer a single plan to their employees.

Given MHBE efforts underway to improve affordability in the small business market and make it easier for small business to shop for plans, at the January 21, 2019 Board meeting MHBE staff proposed removing the Composite Rating requirement from the 2021 plan certification standards and revisiting it as a potential 2022 standard. This would allow MHBE time to further discuss this proposal with small businesses and insurers, and to hear more from small business regarding what they would consider most helpful in increasing the number of small businesses that offer health insurance to their employees. MHBE proposed one modification to the final 2021 Qualified Plan Standards. The Board voted to approve this modification, and consequently this standard will not apply for the 2021 plan year.

ii. Implement Value-Based Insurance Design Concepts and Promote Medical Adherence - Value Plan

In response to public feedback on increasing consumer cost sharing and rising out-of-pocket costs in QHPs offered through Maryland Health Connection, MHBE required that issuers offer “Value” plans that meet certain cost sharing and branding requirements, at the bronze, silver, and gold coverage metal levels. The goal was to provide consumers with reasonable expectations of deductibles and out-of-pocket costs, while promoting cost-sharing structures that:

1. Increase the use of high-value care,
2. Decrease the use of low-value care, and
3. Limit premium increases attributable to increased actuarial value.

The standard was further developed through the 2019 Affordability Work Group as a starting point for addressing affordability issues. Discussions centered on aligning products in the market with state-wide initiatives under the Total Cost of Care Waiver, and creating incentives for value-based product innovation. Table 4-B-1 below details QHP requirements specific to Value plans for the 2021 plan year.

**Table 4-B-1. “Value” plan offering requirements for the 2021 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.   | Required.  | Required.   |
| Medical Deductible Ceiling | No requirement. Lower deductibles are encouraged.   | \$2500 or less.  | \$1000 or less.   |
| Services Before Deductible | Issuer may allocate a total of no less than three office visits across one or more of the following settings: <ul style="list-style-type: none"> <li>• Primary Care Visit</li> <li>• Urgent Care Visit</li> <li>• Specialist Visit</li> </ul> | <ul style="list-style-type: none"> <li>• Primary Care Visit<sup>^</sup></li> <li>• Urgent Care Visit<sup>^</sup></li> <li>• Specialist Care Visit</li> <li>• Generic Drugs</li> <li>• Laboratory Tests</li> <li>• X-rays and Diagnostics<sup>*+</sup></li> </ul> | <ul style="list-style-type: none"> <li>• Primary Care Visit<sup>^</sup></li> <li>• Urgent Care Visit<sup>^</sup></li> <li>• Specialist Care Visit</li> <li>• Generic Drugs<sup>^</sup></li> <li>• Laboratory Tests<sup>*</sup></li> <li>• X-rays and Diagnostics<sup>*</sup></li> </ul> |

<sup>^</sup>Recommended to maintain or decrease cost sharing from 2020.

<sup>\*</sup>May be subject to limitation.

<sup>+</sup>May be excluded from before deductible services

*a. Value Bronze*

No modifications have been made to Value Bronze plans for plan year 2021.

*b. Value Silver Modifications*

The 2019 Affordability Work Group examined health care spending and utilization patterns for Maryland residents insured through the privately insured individual, small employer, and large employer markets, utilizing analysis performed by the Maryland Health Care Commission.<sup>5</sup> The Work Group noted that the major drivers of spending growth in the individual market existed in two service categories, outpatient non-hospital facilities and prescription drug usage. While outpatient non-hospital facility spending increases were mainly driven by increases in utilization, prescription drug service spending was mainly driven by unit cost increases. Further examination by drug type showed that generic drug costs remained low, and utilization remained high. In order to reduce out-of-pocket spending, while also promoting medical adherence, MHBE proposed and the Board finalized a requirement to modify before deductible services to include Generic Drugs for “Value” Silver plans.

Utilizing the same data on spending and utilization, the Work Group noted the decrease in unit costs for labs/imaging, and only a minor increase in utilization. To balance the increase of before deductible services, MHBE proposed and the Board finalized removal of the 2020 requirement to cover imaging before deductible in Value Silver Plans (as well

<sup>5</sup> Maryland Health Care Commission. *Spending and Use Among Maryland’s Privately Insured, 2017*. [https://mhcc.maryland.gov/mhcc/pages/plr/plr\\_healthmd/documents/cais\\_spending\\_use\\_among\\_MD\\_privately\\_insured\\_2017.pdf](https://mhcc.maryland.gov/mhcc/pages/plr/plr_healthmd/documents/cais_spending_use_among_MD_privately_insured_2017.pdf)



as in Value Gold Plans). MHBE believes this will pose a minimal risk to out-of-pocket spending.

Issuers have the flexibility to modify plan design within the requirements, with MHBE providing additional flexibility contingent upon limitations that may arise with the release of the 2021 Actuarial Value Calculator.

c. Value Gold Modifications

Further examination of health care spending and utilization data highlighted options to help issuers meet Value Gold requirements to offset increases in Actuarial Value of the plans. Options include but are not limited to:

1. Changes in cost sharing for Specialist Care Visit, Laboratory Services, X-rays and Diagnostics, and Imaging.
2. Limitations for Laboratory Services, X-rays and Diagnostics, and Imaging.
3. Exclusion of Imaging from before deductible services.
4. Issuers have the flexibility to modify plan design within the Value Plan requirements. MHBE shall provide additional flexibility to issuers contingent upon limitations that may arise with the release of the 2021 Actuarial Value Calculator.

d. Branding requirements

For the 2021 plan year, MHBE will require “Value” branding for Silver QHPs and Gold QHPs. Branding requirements were implemented for “Value” Bronze plans only in 2020; however, issuers opted to brand for all metal levels regardless of the requirements. As a result, branding requirements were implemented for 2021 plans at all metal levels.

e. Issuer offering requirement

Consistent with the 2020 plan year, “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.

f. 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.

*g. 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.

iii. Improve the Consumer Experience within the Individual Marketplace

*a. PayNow URL Requirement*

To help increase coverage effectuation in the individual market, within calendar year 2021 issuers participating on Maryland Health Connection shall implement a PayNow URL to allow consumers to pay their first month's premium at the point of enrollment. MHBE will provide additional flexibility to issuers contingent upon technological/timeline limitations should they arise, as supported by implementing issuers. MHBE believes payment at the point of enrollment will lower the administrative barriers for consumers to access coverage, as well as promote market stability through increased member months.

*a. Co-Pay Accumulator Program Transparency*

To increase coverage transparency for enrollees who use coupons to reduce the cost of their prescription drugs, issuers shall disclose in their "Important Information About This Plan" document if they use a Co-Pay Accumulator Program for prescription drugs covered in their formulary. Issuers must also provide information on how the program may impact enrollees' out-of-pocket costs. In response to the DRAFT Plan Certification Standards for 2021, the Consumer Protection Division of the Attorney General's office noted that plan requirements should be adopted that are consistent with federal and state laws to protect consumers. MHBE plans to discuss conforming legislation in future Plan years, as well as to assess language disclosed in the Plan document.

iv. Expand Access to Care

*a. 2021 Standards for SADPs*

MHBE adopted the below standard as proposed for SADPs to help expand access to dental coverage and increase enrollment in SADPs offered on Maryland Health Connection. All commenters supported the proposal of special enrollment triggering events mirroring the medical SEP standards.

For the 2020 Plan Year, SADPs shall accept enrollments under special enrollment periods for coverage offered on Maryland Health Connection for the following trigger events:

1. Determination of eligibility for Medical Assistance Programs
2. Determination of eligibility for a Qualified Health Plan
3. New enrollment in the Small Business Health Options Program
4. Access to an excepted benefits HRA

c. Lower Administrative Barriers for New Market Entrants

To lower administrative barriers for potential new market entrants with limited experience with plan design development, MHBE will offer optional sample plan designs at the bronze, silver, and gold metal levels. Additional guidance will be provided.

**CHAPTER 5: ISSUER REQUIREMENTS FOR THE 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, and to the MHBE guidance issued October 10, 2019, “*State Reinsurance Program: 2019 – 2021 Program Update & Guidance Document, a Supplement to the 2020 Letter to Issuers.*” This document provides an array of guidance regarding program operations, reporting, payment schedule, and key dates. See <https://www.marylandhbe.com/wp-content/uploads/2019/10/2019-2021-State-Reinsurance-Program-a-Supplement-to-the-2020-Letter-to-Issuers.pdf>

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 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 State Reinsurance Program**

The MHBE Board of Trustees set the final parameters for the 2019 SRP at the January 22, 2019 session. Parameters for the 2020 program will be finalized in early 2020. For 2019, the SRP will remit payments for eligible claims according to the below parameters:

**Table 5-A-1. 2019 and 2020 State Reinsurance Program Parameters.**

| <b>Parameters</b>                  | <b>2019</b> | <b>2020</b> |
|------------------------------------|-------------|-------------|
| Attachment Point:                  | \$20,000    | \$20,000    |
| Coinsurance Rate:                  | 80%         | 80%         |
| Cap:                               | \$250,000   | \$250,000   |
| Carrier-specific Adjustment Factor | .8          | .785        |

**B. Program Operations**

For the 2019, 2020, and future SRP years, issuers are expected to continue regular data submission operations to their EDGE servers as under the risk adjustment program. MHBE expects to reach a formal agreement with CMS to continue leveraging the EDGE server for reinsurance program administration beyond 2020. Updates will be provided upon formalization of this agreement.

MHBE will remit reinsurance payments under the 2019 SRP no later than September 2020.

**C. Reporting Requirements**

As outlined in COMAR 14.35.17.03C, for each year that a carrier which offers a reinsurance-eligible plan participates in the State Reinsurance Program, the carrier shall submit to the Board a report no later than June 30<sup>th</sup> following the end of the plan year. The report will detail carrier actions to manage the costs and utilization of enrollees whose claims are reimbursed under the program. At minimum, the following should be included in the report:

**Table 5-B-1. Carrier State Reinsurance Program Accountability Report Requirements**

|   | <b>Requirement</b>   | <b>Format</b>  | <b>Citation</b> |
|---|--|--|-----------------|
| 1 | List the initiatives and the programs the carrier administers to manage cost and utilization of enrollees whose claims are reimbursable under the State Reinsurance Program  | Narrative  | 14.35.17.03C(1) |
| 2 | Identify the total population of enrollees whose claims are reimbursable under the State Reinsurance Program, the allocation of these enrollees across each of the initiatives and programs identified in 1, and the allocation of these enrollees who do not participate in the initiatives and programs identified in 1. | A data table indicating the magnitude (n) and proportion (%) of each population.   | 14.35.17.03C(2) |
| 3 | Estimate the effectiveness of the initiatives and programs identified in 1 as measured by the estimated reduction of claims and utilization by the enrollees identified in 1.  | A data table indicating the dollar amount (\$) of total reduced claims and utilization expressed as services per enrollee. | 14.35.17.03C(3) |
| 4 | Identify and detail the actions the carrier will take to improve on the effectiveness estimates identified in 3.   | Narrative  | 14.35.17.03C(4) |
| 5 | Estimate savings to the State Reinsurance Program based upon the effectiveness identified in 3.  | A data table indicating the dollar amount (\$) of total savings for each program identified in 1.                          | 14.35.17.03C(5) |
| 6 | Estimate the rate impact of the initiatives and programs identified in 1.  | Aggregated expressed as a percentage (%)   | 14.35.17.03C(6) |

|   |   |           |                 |
|---|---|-----------|-----------------|
| 7 | Detail the methodology utilized to determine which programs to include in 1 of this regulation, estimated effectives in 3 of this regulation, and estimated savings to the State Reinsurance Program in 5 of this regulation. | Narrative | 14.35.17.03C(7) |
| 8 | Population health initiatives and outcomes for Individual Exchange enrollment   | Narrative | 14.35.17.03C(8) |

**D. 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 yearly an attestation to the Maryland Health Benefit Exchange 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.