STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Bulletin 2015-08-INS

In the matter of

2016 Form and Rate Filing Requirements
for Stand-Alone Dental Plans
_____/

Issued and entered
this 6th day of March, 2015
by Annette E. Flood
Director

This bulletin supersedes Bulletin 2015-06-INS, issued February 6, 2015.

Information in this bulletin is subject to change as federal guidance is finalized. Issuers are strongly urged to routinely check the DIFS website and the System for Electronic Rate and Form Filing (SERFF) State Messages for updates.

SECTION 1: CERTIFICATION AND RECERTIFICATION PROCESS AND STANDARDS FOR STAND-ALONE DENTAL PLANS (SADPs)

General Information and Timelines

The Department of Insurance and Financial Services (DIFS) will continue to perform Plan Management functions for the 2016 plan year. Plan Management functions are part of DIFS' regulatory role for products offered on and off the Marketplace. Issuers will work directly with DIFS to submit all Stand-Alone Dental Plans (SADP) application data in accordance with federal and state guidelines. The SERFF will be used by issuers to transmit information to DIFS, and DIFS will use SERFF to transmit information to the Centers for Medicare & Medicaid Services (CMS).

SADP issuers should be aware that proposed federal regulations would expand the small group market to include those employers with between 51 and 100 employees. If these regulations are finalized, they would take effect for plan years beginning on or after January 1, 2016. DIFS will provide further guidance on this issue as necessary.

New Plans and Recertification of 2015 SADPs

For the 2016 plan year, DIFS' process for certification and recertification of an SADP is consistent with the process used in prior years. Plans applying for recertification will be required to submit much of the same information as in prior years. Plans seeking certification for the first time should review the pertinent federal and state guidance. ***Accordingly, this bulletin addresses only those areas where guidance has changed from the 2014 and 2015 plan years or***

where additional clarification is necessary. The omission of any particular federal or state requirement from this bulletin should not be construed to mean that compliance with those requirements is not necessary. For guidance, issuers are urged to refer to the *2016 Letter to Issuers in the Federally-Facilitated Marketplace* "Letter".

Timeline for SADP Filings

SADP submissions will follow the same timelines as Qualified Health Plan (QHP) submissions, as follows:

Activity		Dates
SADP Application Submission and Review Process	Michigan Filing Deadline	**4/8/2015**
	DIFS Completes Review – Disposition Issued	**6/9/2015**
	DIFS Transfers Plan Data to CMS	**7/10/2015**
	FFM Reviews Plan Data	**7/13/2015 to 8/12/2015**
	FFM Notifies DIFS of Necessary Corrections to SADP Data	**8/13/2015 to 8/14/2015**
	Final Deadline for Issuers to Resubmit Data to DIFS via SERFF	**8/20/2015**
	DIFS Final Transfer to CMS	**8/25/2015**
	Final FFM Review of Corrected SADP Application Submissions	**8/26/2015 to 9/16/2015**
SADP Agreement/Final Certification	Certification Notices and SADP Agreements Sent to Issuers, Agreements Signed, SADP Data Finalized	**9/17/2015 to 10/09/2015**
Open Enrollment		**11/1/2015 to 1/31/2016**
***All dates based on CMS functions are subject to change**		

2016 SADP Filing Requirements

SADP issuers must submit the required Templates and run the CMS Data Integrity Tools as outlined in Exhibit 1. Please note: only one Business Rules Template needs to be completed. The one template will include both individual and small

group plans. However, the Business Rules Template must be submitted in both the individual and small group SERFF filings and binders.

Stand-Alone Dental Checklist Requirements (Revised for 2016)

For the 2016 filing year, DIFS developed SADP-specific form and rate checklists. Issuers of *embedded* benchmark pediatric dental benefits must use the Pediatric Services section of the DIFS' QHP Forms Checklist. Each SADP filing must include forms FIS 2304 (SADP Rates Checklist) and FIS 2305 (SADP Forms Checklist). The Checklists must be included in both the Rate and Forms filings and Binder filings under the Supporting Documentation tab in SERFF.

Revisions to Previously-Approved SADPs: Red-Lined Versions

Issuers making revisions to previously approved SADP forms must provide red-lined versions. Red-lined versions should be filed under the Forms tab of the SERFF filing.

File Naming

Certain items under the Supporting Documentation tab in the Rate/Form filing and/or the Binder filing must adhere to a standard naming convention as follows: IssuerName_MIFormDescription/Name_Version#.

The purpose of this is to track new versions as they are updated on the system. It is important to start with Version 1 and use the same Issuer Name and Form Description in the file name each time.

Items required to have a standard naming convention are:

- DIFS Forms Checklist;
- DIFS Rates Checklist;
- MI Network Data Template;
- Rate Data Template;
- Actuarial Memorandum;
- Justifications and Attestations;
- Summary of Benefits and Coverage;
- Any document that is amended from its original version that is not automatically versioned through SERFF.

SERFF Filings

Issuers should be aware that all product filings submitted via SERFF (on- and off-Marketplace) are considered to be public immediately upon being filed in SERFF.

Product Withdrawal and Uniform Modification

SADPs are subject to product withdrawal/uniform modification rules.

SECTION 2: CERTIFICATION STANDARDS

Licensure and Good Standing

DIFS will review the licensure status of all issuers filing SADPs.

Actuarial Value (AV) Requirements

Under 45 CFR §156.150, all individual and small group SADPs offered on- and off-Marketplace must have an actuarial value of 70% (low) or 85% (high) with a *de minimis* variation of +/-2 percentage points. All SADP issuers must include a certification by a member of the American Academy of Actuaries of the plan's actuarial value.

Annual Limit on Cost-Sharing

The out-of-pocket maximums for Marketplace-certified SADPs are $350 for one covered child and $700 for two or more covered children.

Service Area

With regard to on Marketplace plans, CMS requires that any partial service areas (geographic areas smaller than a county) offered on the Marketplace be established without regard to racial, ethnic, language, or health status related factors. Issuers with partial service areas must submit a partial service area justification in the supporting documentation tab of the binder. Issuers should refer to the CMS Service Area Partial County Justification Cover sheet located in the Supporting Documentation tab in SERFF for instructions regarding acceptable reasons for partial service areas. Partial service area requests will be reviewed on a case-by-case basis. Issuers of on Marketplace SADP plans are urged to refer to the "Letter."

Network Adequacy

DIFS will collect network detail on the Michigan Network Data Template. The Michigan Network Data Template is required for dental-only networks, and is available with accompanying instructions in SERFF. Please review the Michigan Network Adequacy Guidance for network adequacy standards. For consideration of any service area, the issuer must demonstrate that it has dental providers located within the boundaries of the county. Additionally, the issuer must demonstrate that at a minimum, there are endodontic, oral surgery, and periodontics dental specialists in each of the metropolitan service areas it is requesting. All network reviews are subject to CMS oversight.

Essential Community Providers

Issuers of on Marketplace plans should refer to the "Letter" for current Essential Community Provider requirements.

SECTION 3: CONTRACT REQUIREMENTS

Readability

Submitted forms must comply with the following readability standards found under MCL 500.2236(3);

1. Each form entered in the SERFF Forms Schedule shall include its readability score.
2. The readability score must be based on the Microsoft Word Flesch Reading Ease test and have a score of 45 or higher. Forms with a Microsoft Word Flesch Reading Ease test score less than 45 will not be approved by DIFS, or transferred to CMS for certification.
3. Health care policies and certificates, dental policies and certificates, and certificates of coverage, with more than 3,000 words printed on not more than three pages or more than three pages of text regardless of the number of words shall contain a table of contents. (This requirement does not apply to riders or endorsements).
4. Be printed with font size not less than 10-point (an exception under MCL 500.2236(3) for policies of disability insurance as defined in section MCL 500.3400); font requirement found in MCL 500.3402.

Dependent Coverage

The HHS Notice of Benefit and Payment Parameters for 2016 (as finalized) has amended 45 CFR 156.115(a) to clarify that EHB coverage for pediatric services should continue until the end of the month in which the enrollee turns 19 years of age.

Guaranteed Renewability

Although SADPs are considered excepted benefits and therefore not subject to federal guaranteed renewability requirements, CMS will apply certain guaranteed renewability standards to SADPs. See pages 19 and 20 of the Letter.

Internal Formal Grievance and External Review Procedures

SADPs offered by commercial issuers must offer a formal grievance procedure pursuant to MCL 500.2213 and adhere to the external review process under the Patient's Right to Independent Review Act, PA 251 of 2000 (MCL 550.1901 to 550.1929). These procedures must be part of the policy and submitted for approval with the SADP filing. If the issuer has DIFS-approved grievance and external review procedures, these must be filed under the Supporting Documentation tab of the SERFF rate and form filing.

Marketplace Certification

All stand-alone dental products intended to be EHB-compliant must be Marketplace-certified, even if the plan will not be marketed through the Marketplace. The only SADPs that can be considered to provide EHB or be identified as having a "high" or "low" value are those that have followed the

certification process and have been approved and recommended for certification to CMS.

Benefit Enhancement in Excess of EHB

Issuers of SADPs may offer enhanced benefit and benefit payment arrangements in excess of EHB. These enhanced arrangements are limited to non-EHB pediatric oral benefits only.

SECTION 4: RATING

For 2016 certification of SADPs, issuers must complete the rating templates in accordance with the associated rating and business rules and indicate in the 2016 Plan and Benefits Template whether that rate is the guaranteed rate or whether the issuer is retaining flexibility to change the rate (estimated rate).

The Rating Methodology Manual:

- must include a rating calculation sample;
- must include **only** Michigan-specific rates and rating methodology information, and for individual market plans only:
  - must include a sample demonstrating the EHB Apportionment calculation;
  - must include the EHB Apportionment amount for Pediatric Dental, located on the Plan and Benefit Template and cannot be greater than the 0-20 rate on the rate data template.

All SADPs must be included in the Rate Data Template. A separate Rate Data Template is required for the Individual and Small Group Market.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial
Services Office of Insurance Rates and Forms
611 West Ottawa Street
P.O. Box 30220
Lansing, Michigan 48909-7720
Toll Free: (877) 999-6442

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Director

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Exhibit 1

2016 Stand-Alone Dental Filing Requirements

Template Name	Requires Submission via SERFF	Data Integrity Tool	Must be filed with:
Federal Requirement			
Administrative	Yes	Yes	Binder only
Essential Community Providers	Yes	Yes	Binder only
Actuarial Value Calculator	No	No	N/A
Plan and Benefit	Yes	Yes	Binder only
Service Area	Yes	Yes	Binder only
Network	Yes	Yes	Binder only
Network Adequacy	Yes	No	Binder only
Prescription Drug	No	No	N/A
Rate Data	Yes	Yes	Rate Filing & Binder
Business Rules – One per Issuer, include both Individual and Small Group on the same template	Yes	Yes	Rate Filing &Binder
Accreditation	No	No	N/A
Unified Rate Review Template (URRT)	No	No	N/A
Part II: Consumer Justification Narrative	No	No	N/A
Part III: Actuarial Memorandum	No	No	N/A
Michigan Requirement			
MI Network Data	Yes	No	Binder only
MI 2016 Stand-Alone Dental Forms Checklist	Yes	No	Form Filing & Binder
MI 2016 Stand-Alone Dental Rates Checklist	Yes	No	Rate Filing & Binder
Deadline for Filing – All required Templates must be completed before filing. All material must be filed by this deadline, regardless of whether it is on or off the Marketplace.	**4/8/2015**		