

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2016-09-INS**

**In the matter of**

2017 Form and Rate Filing Requirements for  
Stand-Alone Dental Plans

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**Issued and entered  
this 11 day of March 2016  
by Patrick M. McPharlin  
Director**

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

**SECTION 1: CERTIFICATION AND RECERTIFICATION FILING REQUIREMENTS FOR  
STAND-ALONE DENTAL PLANS (SADPs) ON AND OFF THE MARKETPLACE**

**General Information and Timelines**

DIFS will continue to perform Plan Management functions for the 2017 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. 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).

**New Plans and Recertification of SADPs**

For the 2017 plan year, DIFS' process for certification and recertification of a SADP is consistent with the process used in prior plan 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. **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 2017 Letter to Issuers in the Federally-Facilitated Marketplace ("Letter").

## Timeline for SADP Submissions

SADP submissions will follow this timeline. This timeline differs from the Medical Plans Timeline.

| Activity   |  | Dates                          |
|--|--|--------------------------------|
| SADP Application Submission and Review Process                 | Michigan Filing Deadline   | <b>4/11/2016</b>               |
|  | DIFS 1 <sup>st</sup> Transfer of Plan Data to CMS  | <b>5/11/2016</b>               |
|  | CMS Reviews Plan Data; Sends Correction Notices  | <b>5/12/2016 to 6/16/2016</b>  |
|  | DIFS 2 <sup>nd</sup> Transfer of Plan Data to CMS  | <b>6/30/2016</b>               |
|  | CMS Reviews Plan Data; Sends 2 <sup>nd</sup> Set of Correction Notices                                     | <b>7/01/2016 to 8/09/2016</b>  |
|  | DIFS Final Transfer to CMS   | <b>8/23/2016</b>               |
|  | Final CMS Review of Revised QHP Application Submissions Received as of August 23                           | <b>8/24/2016 to 9/09/2016</b>  |
| SADP Agreement/Final Certification                             | Certification Notices Sent to Issuers; Agreements Signed by Issuers; Validation Confirming Final Plan List | <b>9/15/2016 to 10/04/2016</b> |
| Open Enrollment  |  | <b>11/01/2016 to 1/31/2017</b> |
| <b>*All dates based on CMS functions are subject to change</b> |  |                                |

## 2017 SADP Filing Requirements

SADP issuers must submit the required Templates and run the 2017 QHP Application Tools and Data Integrity Tool 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 2017)

For the 2017 filing year, DIFS developed SADP-specific forms, rates, and network adequacy checklists. Each SADP filing must include completed forms FIS 2304 (SADP Rates Checklist), FIS 2305 (SADP Forms Checklist), and FIS 2314 (SADP Network Adequacy Checklist) and be filed as shown in Exhibit 1.

## **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 Schedule tab of the SERFF Rate/Form 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\_Version#.

The purpose of this naming convention 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 that are required to have a standard naming convention are:

- DIFS SADP Forms Checklist;
- DIFS SADP Rates Checklist;
- DIFS SADP Network Adequacy Checklist;
- MI Network Data Template;
- Rates Table 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**

All filings submitted via SERFF (on and/or off the Marketplace) are considered to be public immediately upon being filed in SERFF.

All federal and Michigan-specific templates must be filed in the Rate/Form filing and in the Binder in Excel (xml and xlsx) formats. Do not submit templates in PDF.

## **Product Withdrawal and Uniform Modification**

SADPs are subject to product withdrawal/uniform modification rules. For the 2017 filing year, DIFS requires that the Michigan Uniform Modification Justification form (FIS 2316) be submitted as shown on Exhibit 1.

## **Licensure and Good Standing**

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

## **Actuarial Value (AV) Requirements**

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 2017 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 plans on the Marketplace, 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 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 stand-alone dental 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 approval for. All network adequacy reviews are also subject to CMS oversight.

## **Essential Community Providers**

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

## **SECTION 2: 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 tab shall include the form's 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 score lower 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**

Essential Health Benefit (EHB) coverage for pediatric services are required for enrollees until at least 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 page 19 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/Form filing.

## Marketplace Certification

All SADPs intended to be EHB-compliant must be Marketplace-certified, even if the plan will not be marketed on-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 3: RATING

For the 2017 certification of SADPs, issuers must complete a separate Rates Table Template for individual and small group markets. For all plans other than the FF-SHOP plans, rates should be identified as either “Guaranteed” or “Estimated” in the Plans and Benefits Template, and can either be individually age rated or family tier rated. For FF-SHOP plans, rates must be “Guaranteed” and individually age rated.

SADP Michigan rate filings must include the following components:

- Rate manual showing only **Michigan-specific** rates;
- Sample rate calculation;
- Michigan Rate Checklist for SADPs;
- Actuarial Memorandum addressing items from the Michigan Rate Checklist, including but not limited to:
  - Description and exhibits showing the development of rates from the experience;
  - Methodology and assumptions used to calculate each plan’s actuarial value.
  - Derivation of the EHB Apportionment percentage for pediatric dental (individual plans only)

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services  
Office of Insurance Rates and Forms  
530 West Allegan Street, 7<sup>th</sup> Floor  
P.O. Box 30220  
Lansing, Michigan 48909-7720  
Toll Free: (877) 999-6442



Patrick M. McPharlin  
Director



## Exhibit 1

### 2017 Stand-Alone Dental Filing Requirements

| Federal Required Templates  | Requires submission<br>Via SERFF | SERFF Location:           |
|---|----------------------------------|---------------------------|
| Essential Community Providers/Network Adequacy  | Yes                              | Binder only               |
| Plans and Benefits  | Yes                              | Binder only               |
| Service Area  | Yes                              | Binder only               |
| Network ID  | Yes                              | Binder only               |
| Rates Table   | Yes                              | Rate/Form Filing & Binder |
| Business Rules – One per Issuer, include both Individual and Small Group on the same template | Yes                              | Rate/Form Filing & Binder |
| Michigan Required Templates, Checklists and Forms   |                                  |                           |
| MI Network Data Template  | Yes                              | Binder only               |
| MI 2017 Stand-Alone Dental Forms Checklist  | Yes                              | Rate/Form Filing & Binder |
| MI 2017 Stand-Alone Dental Rates Checklist  | Yes                              | Rate/Form Filing & Binder |
| MI 2017 Stand-Alone Dental Network Adequacy Checklist   | Yes                              | Binder Only               |
| Company Actuarial Memorandum  | Yes                              | Rate/Form Filing & Binder |
| MI Uniform Modification Justification Form  | Yes                              | Rate/Form Filing & Binder |
| <b>Filing Deadline:</b>   | <b>4/11/2016</b>                 |                           |

**NOTE:** All required templates must be completed and if applicable, validated, before filing. Use of the 2017 QHP Application Tools and Data Integrity Tool is required for initial template and subsequent template submissions. All template revisions must be uploaded to the same location as originally filed (i.e., SERFF Rate/Form Filing, Binder, or BOTH).