

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

**Bulletin 2020-09-INS**

In the matter of

2021 Form and Rate Filing  
Requirements for Medical Plans

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**Issued and entered  
this 26th day of March 2020  
by Anita G. Fox  
Director**

**SECTION 1: CERTIFICATION AND RECERTIFICATION FILING REQUIREMENTS FOR MEDICAL PLANS  
ON- AND OFF-MARKETPLACE**

**General Information**

DIFS will continue to perform Plan Management Functions for PY21. Plan Management functions are part of DIFS' regulatory role for products offered on- and off-Marketplace. Issuers will work directly with DIFS to submit all Qualified Health Plan (QHP) 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).

Many of the same guidelines apply to issuers filing plans offered off-Marketplace and these items are referenced in this Bulletin.

Issuers will again be required by CMS to be registered for the [CCIIO Plan Management Community](#) (PM Community). This platform will be utilized to issue all notices, including corrections and notifications.

**New Information**

CMS has introduced the new "Transparency in Coverage Template" for PY21. Both the template and instructions for completing the template can be found in the [QHP Certification Application Materials](#). The Transparency in Coverage Template must be submitted in SERFF under Templates and in the Benefits and Service Area Module (SSM) of the Health Insurance and Oversight System (HIOS).

CMS will no longer collect URLs in the Plans and Benefits, Prescription Drug, Network ID, or Transparency in Coverage Templates for PY21. Issuers must continue to submit and update their URL data via the SSM, which was introduced in August 2019.

The Internal Revenue Service has issued guidance regarding the status of High Deductible Health Plans (HDHPs) when first-dollar coverage is received for testing for and treatment of COVID-19. See [Notice 2020-15](#).

## New Plans and Recertification of QHPs

For PY21, DIFS' process for certification and recertification of a QHP is consistent with the process used in prior plan years. Issuers submitting previously approved plans for recertification will be required to submit much of the same information as for prior plan years. Issuers submitting plans for certification for the first time should review the pertinent federal and state guidance. **The omission of any federal or state requirement from this Bulletin should not be construed to mean that compliance with those requirements is not necessary.** For additional guidance, issuers are urged to refer to the [2021 Draft Letter to Issuers](#) (Draft Letter).

## PY21 SUBMISSION TIMELINES

DIFS has established the following submission dates for Michigan issuers to file their proposed Forms, Rates, and Binders for PY21 for small group and individual markets:

### Small Group

Small group issuers submit **Forms, Rates, and Binders** for all on- and off- Marketplace plans in SERFF by May 13, 2020. Rate filing justifications must also be submitted into the URR Module of HIOS by this date. See Exhibits 1 and 2 for the list of required templates and documents.

### Individual

Individual issuers submit **Forms, Rates, and Binders** for all on- and off- Marketplace plans in SERFF by June 10, 2020. Rate filing justifications must also be submitted into the URR Module of HIOS by this date. See Exhibits 1 and 2 for the list of required templates and documents.

**Note:** with regard to small group and individual rates, these are to be the issuers' **final** rates, with the Rate Filing Justification Parts I, II, and III, and related supporting documents. **Also note:** DIFS will not accept changes to the Rates Table Template after the submission deadline, unless the changes are required by DIFS as part of the rate review process.

**All Small Group and Individual Products: on- and off-Marketplace**

<b>Activity</b>		<b>Small Group Dates</b>	<b>Individual Dates</b>
<b>DIFS Submission (Exhibit 1)</b>	<b>Filing Deadline – Forms &amp; Rates and Binder</b>	<b>5/13/20</b>	<b>6/10/20</b>
	DIFS' 1 <sup>st</sup> transfer of plan data to CMS; Transparency in Coverage and Plan ID Crosswalk Templates submission deadline	<b>6/17/20</b>	
	DIFS' 2 <sup>nd</sup> transfer of plan data to CMS	<b>7/22/20</b>	
	CMS reviews and posts initial QHP application results in PM Community	<b>6/18/20 to 8/12/20</b>	
	Service Area Petition deadline	<b>8/11/20</b>	
<b>Final Review</b>	DIFS' final transfer of plan data to CMS	<b>8/19/20</b>	
	CMS reviews and posts final QHP application results in PM Community	<b>8/20/20 to 9/10/20</b>	
<b>QHP Agreement/ Final Certification</b>	CMS posts QHP agreements; Issuers send signed agreements; States confirm final plan recommendations	<b>9/15/20 to 9/23/20</b>	
	Limited data correction window and last date to withdraw plans	<b>9/17/20 to 9/18/20</b>	
	CMS sends Certification Notices	<b>10/5/20 to 10/6/20</b>	
<b>Open Enrollment</b>		<b>11/1/20 to 12/15/20</b>	

## **PY21 Filing Requirements and Templates**

A complete submission includes the SERFF Form/Rate filing and Binder, with all required validated templates and associated items, as outlined in Exhibit 1. Issuers are required to run the [PY21 QHP Application Review Tools](#) including the Data Integrity Tool for the initial and any subsequent template submissions.

All template revisions made during DIFS' review must be uploaded to the same locations as originally filed. See Exhibit 1.

**Note:** only one Business Rules Template needs to be completed and should include both individual and small group plans. However, the Business Rules Template must be submitted in both the individual and small group SERFF Form/Rate filing and Binder.

## **PY21 Quality Improvement Strategy Filing Requirement**

An issuer participating in the Marketplace for two or more consecutive years must implement and report on a Quality Improvement Strategy (QIS), in accordance with section 1311(g) of the Affordable Care Act.

Issuers should consult the [QHP Certification Application Materials](#) for instructions on how to meet the QIS requirements for the PY21 QHP Application Period. Issuers must complete and submit a QIS Implementation Plan to DIFS.

The QIS Implementation Plan and Progress Report Form must be submitted to DIFS via SERFF and included in the issuer's Binder. The deadline for submitting this form in the small group market is May 13, 2020, and the deadline for the individual market is June 10, 2020.

## **PY21 Checklist Requirements**

Checklists that must be completed and filed as shown in Exhibit 1 are:

- Checklist for Individual and Small Group Medical Plans–Forms ([FIS 2307](#));
- Checklist for Individual and Small Group Medical Plans–Rates ([FIS 2306](#)); and
- Checklist for Individual and Small Group Medical Plans–Network Adequacy ([FIS 2313](#)).

## **Revisions to Previously Approved QHPs: Red-Lined Versions**

Issuers revising previously approved QHP forms must provide red-lined versions, as well as clean versions. The red-lined and clean versions should both be filed under the Forms Schedule tab of the SERFF Form/Rate filing under the same document number. **Note:** forms not being revised must still be submitted.

## **File Naming**

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

The purpose of adherence to a standard naming convention is to have the ability to track new versions as they are updated. It is important to start with Version 1 and use the same issuer name and form description in the file name each time. In addition, all review tools must be run each time a template is revised.

Items that are required to have a standard naming convention are:

- DIFS Medical Forms Checklist;
- DIFS Medical Rates Checklist;
- DIFS Medical Network Adequacy Checklist;
- Michigan Network Data Template;
- Rates Table Template;
- Actuarial Memorandum;
- URRT;
- Michigan Uniform Modification Justification form;
- Justifications and Attestations;
- Summary of Benefits and Coverage; and
- Any document that is amended from its original version that is not automatically versioned through SERFF.

### **Transitional Plans**

The option to offer Transitional Plans has been extended. See [Order 2020-06-M](#).

### **SERFF Filings**

All federal and Michigan-specific templates must be filed in Excel formats. Do not submit templates in PDF. Additionally, **do not** submit templates under the Supporting Documentation tab of the Binder, except for the Plan ID Crosswalk and MI Network Datatemplates.

Under Section 234 of the Michigan Insurance Code, MCL 500.234, the Director has the discretion to designate certain records to be nonpublic. Accordingly, issuers have the option to mark their filings as confidential upon submission. The filings will remain confidential until one day after the submission deadline at which time DIFS will make the filings public.

### **Guaranteed Renewability**

All individual and small group plans offered on- and off-Marketplace must comply with federal and state law regarding guaranteed renewability, including all applicable federal regulations and guidance, and DIFS Bulletin [2011-17-INS](#).

### **Product Withdrawal**

Plans may be withdrawn in accordance with the timeline published in the [Draft Letter](#). The final opportunity to withdraw plans will be during the plan confirmation process. Issuers opting to withdraw must submit the following in both the SERFF Form/Rate filing and Binder:

1. A completed CMS Plan Withdrawal form for plans offered either on- Marketplace or on- and off-Marketplace **or** a list of plans to be withdrawn for those offered off-Marketplace only.
2. A letter to the DIFS Director outlining the issuer's intent and how it will comply with both state and federal guaranteed renewability and availability requirements.
3. A copy of the proposed letter that will be sent to enrollees/consumers outlining the issuer's intent and detailing all options available to the enrollee/consumer, including seeking coverage from a different issuer. This letter must not be sent to enrollees/consumers until approved by DIFS.

**Note:** Do not make changes to templates. Also, pursuant to Michigan statute, MCL 500.2213b(6), once an issuer withdraws from a nongroup or group market completely, there is a 5-year waiting period during which that issuer may not issue health coverage in the market from which it withdrew.

### **Uniform Modification and Plan ID Crosswalk**

DIFS requires that the Michigan Uniform Modification Justification form ([FIS 2316](#)) and Plan ID Crosswalk be submitted as shown on Exhibit 1.

CMS requires that the Plan ID Crosswalk Template, together with authorization from DIFS, be submitted to [CCIIO Plan Management Community](#) for QHPs in the individual market. The deadline for this submission is June 17, 2020.

### **Licensure and Good Standing**

DIFS will review the licensure status of all issuers filing plans on- and/or off- Marketplace.

### **Annual Limit on Cost-Sharing**

The PY21 out-of-pocket maximums for Marketplace-certified QHPs are \$8,550 for individuals and \$17,100 for families.

### **Changes to Cost-Sharing**

After the initial transfer to CMS, changes made to copay amounts and coinsurance percentages cannot be made without DIFS' approval.

### **Service Area**

The approach for reviews of service area remains unchanged from PY20.

Issuers may make changes to their service area data without DIFS or CMS authorization until the deadline for initial application submission (June 17, 2020). After this date, issuers must submit a data change request (DCR) to CMS for any service area data changes. The DCR together with justification for the change(s) and evidence of state authorization must be submitted to CMS via the [CCIIO Plan Management Community](#) by August 11, 2020. Issuers may only change service area data after CMS approves the change, even if the change is in response to direction from DIFS or CMS.

Examples of service area data changes include:

1. Changes to Service Area Template
  - a. Changing a service area name
  - b. Changing a service area ID
2. Changing the service area ID associated with a plan on the Plans and Benefits Template
3. Any change to the list of counties associated with a particular plan

CMS requires that any partial service areas (geographic areas smaller than a county) must be established without regard to racial, ethnic, language, or health status factors, or other factors that exclude specific high utilizing, high cost or medically underserved populations. Issuers with partial service areas must submit a partial service area justification in the Supporting Documentation tab of the SERFF 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.

See [QHP Certification Application Materials](#) for additional service area related information.

### **Network Adequacy**

The network adequacy requirements, standards, and approach for review are unchanged from PY20. The [Michigan Network Adequacy Guidance](#) reflects network sufficiency standards and requirements. See also [Network Data Template Instructions](#), [Michigan Service Area Maps](#), and [Network Adequacy Checklist - Individual and Small Group Medical Plans \(FIS 2313\)](#).

### **Essential Community Providers**

The Essential Community Providers (ECP) standards and the approach for review are unchanged from PY20. For details concerning the ECP standards for network adequacy, see [QHP Certification Application Materials](#).

### **Patient Safety Standards**

QHP Issuers that contract with hospitals, as defined by the Social Security Act in section 1861(e), with more than 50 beds must comply with 45 CFR 156.1110. Issuers must include in their Binder submission, under the Supporting Documentation tab, an attestation to verify issuer is compliant with the Patient Safety Standards in accordance with this section.

## **SECTION 2: CONTRACT REQUIREMENTS (APPLICABLE TO ALL PLANS)**

### **Readability**

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

1. 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.
2. Health care policies, contracts, 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.)
3. Each form must be printed in font size not less than 10 point.

Each form entered under the SERFF Forms Schedule tab shall include the form's readability score.

### **Internal Formal Grievance and External Review Procedures**

QHPs 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 (PRIRA), 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 Form/Rate filing.

Complaint and Grievance Policy and Procedures must include information on [DIFS' Health Care Appeals – Request for External Review \(FIS 0018\)](#) and contact information for DIFS including fax number, email address, and mailing address.

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

All individual and small group plans offered on- and off-Marketplace must be assigned to one of the approved “metal level” AV tiers or be classified as a catastrophic plan. Determinations of AV must conform to 45 CFR 156.140.

### **Religious Employer Exemption**

DIFS will allow issuers providing benefits for *religious employers, non-profit religious employers* or *closely held for profit companies with strong religious beliefs* who qualify for contraceptive coverage exemptions under federal rules to include additional language describing the administration of these benefits. The purpose of the additional language will be to clarify for employees that:

1. The employer will not contract, arrange, or pay for contraceptive benefits for employees.
2. The issuer will instead provide contraceptive benefits for employees (including notification to employee).
3. The costs for these benefits are not included in the program paid for the healthcare coverage.

### **ESSENTIAL HEALTH BENEFITS (EHB)**

#### **EHB Benchmark Plan**

Issuers must use [Michigan's 2017 benchmark plan](#). Michigan has made no changes to its benchmark plan.

Issuers should review the benchmark to ensure their plans on- and off-Marketplace conform to it.

#### **Mental Health Parity and Addiction Equity Act (MHPAEA)**

All individual and small group plans must comply with the federal MHPAEA and applicable regulations. In particular, issuers should carefully review the final rule implementing the MHPAEA, issued on November 13, 2013, and generally applicable to plan and policy years on or after July 1, 2014. Issuers should review the final rule to determine whether a particular plan is subject to the MHPAEA and is compliant with that statute and regulations.

#### **Actuarially Equivalent Substitutions of EHB**

Actuarially equivalent substitutions of EHB are not permitted in Michigan.

#### **Anti-Discrimination in EHB**

DIFS will review policy and certificate forms for compliance with all provisions of federal and state anti-discrimination law, including but not limited to section 1557 of the Affordable Care Act, 42 USC 18116. Issuers are encouraged to review in its entirety the Final Rule on Nondiscrimination in Health Programs and Activities, which is set forth at 45 CFR Part 92 (Final Rule). The Final Rule prohibits discrimination on the basis of race, color, national origin, sex, age, and disability.



Regarding age limits *specifically*, under the Final Rule, age limits that are included by statute are generally permissible (for example, in Michigan’s autism mandate), but age limits not found in statute may be prohibited. DIFS will review policy and certificate forms for impermissible age limits.

### **Rehabilitative and Habilitative Services; Autism Spectrum Disorder**

All plans must cover at least 30 visits for speech therapy, plus a combined 30 visits for physical and occupational therapy for rehabilitative services. For PY21, plans must also cover at least the same number of visits for habilitative services.

However, for treatment of autism spectrum disorder specifically, plans may not limit the number of visits for any mandated type of treatment, including speech therapy, physical therapy, and occupational therapy.

## **SECTION 3: CONTRACT REQUIREMENTS (APPLICABLE TO ON-MARKETPLACE PLANS ONLY)**

### **Accreditation**

45 CFR 155.1045 establishes the timeline by which issuers offering plans on- Marketplace must be accredited by NCQA, URAC, or AAAHC. An issuer’s accreditation status will be available to consumers at the Marketplace website.

### **Summary of Benefits and Coverage**

DIFS requires the 2021 form of Summary of Benefits and Coverage (SBC). This form applies to individual and small group on-Marketplace plans. The updated materials are available [here](#). Each plan must have its own unique SBC, with the associated URL link submitted via the Supplemental Submission Module in HIOS.

## **SECTION 4: RATING REQUIREMENTS (APPLICABLE TO ALL PLANS)**

DIFS will not accept more than one filing per market (individual or small group). Issuers that offer both PPO/EPO or HMO/POS must submit both filings in the same Form/Rate filing.

Per the [Notice of Benefit and Payment Parameters for 2021 proposed rule](#), the Part II Justification remains at 15%. Issuers must use only the revised URRT.

### **Required Cost-Sharing Variations for Individual Market Plans Only**

45 CFR 156.420 requires several cost-sharing plan variations for issuers offering coverage in the individual market on-Marketplace. Issuers must submit for approval the three plan variations for each silver plan offered, and the zero and limited cost-sharing variations for each plan at the platinum, gold, silver, and bronze metal levels.

Due to the lack of federal legislation appropriating Cost-sharing Reduction (CSR) payments, DIFS requires issuers to submit rates assuming no CSR payments will be made (CSR load). These rates apply only to on-Marketplace silver plan premiums. The actuarial memorandum should disclose the amount of CSR load included in the silver plan rates and the methodology for determining the load. Support should include current and projected distribution of silver plan members by variant level (70/73/87/94) and the associated rate impacts that produce the overall CSR load.

## Rating Factors

Rates may vary based only on the following factors:

- Rating area
- Age (within a ratio of 3:1 for adults)
- Tobacco use (within a ratio of 1.5:1)

## Additional Michigan Rating Factor Determinations

Michigan has made the following determinations related to the allowable rating factors, applicable to all individual and small group plans:

### Age Rating

Michigan plans must adhere to the 3:1 ratio and federal default age curve for both individual and small group markets. The federal default age curve, applicable for plan years beginning on or after January 1, 2018, is detailed in the CMS Insurance Standards Bulletin: [Guidance Regarding Age Curves and State Reporting, Dec. 16, 2016](#).

### Tobacco Ratio

Issuers will not be required to use a tobacco ratio less than 1.5:1. Issuers will be allowed to vary their tobacco ratio based on age, if the ratio does not exceed 1.5:1 for any specific age.

### Standard Family Tier

Michigan will not allow the use of a standard family tier.

### Per-Member Rating

Michigan requires per-member rating in the small group market. Issuers wishing to offer small employers the option to be billed on an equivalent<sup>1</sup> composite premium basis must comply with the requirements set forth at 45 CFR 147.102(c)(3), including the development of separate composite premiums for individuals age 21 and older and individuals under age 21.

### Geographic Rating

For PY21, Michigan will continue using the previously defined 16 geographic rating areas for both the individual and small group market. The 16 defined geographic areas, within each of the 83 counties in Michigan, labeled A through P, can be found on the DIFS website [here](#).

### Merging of Markets

Pursuant to 45 CFR 156.80, Michigan requires issuers to maintain separate risk pools for the individual and small group markets.

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<sup>1</sup> Equivalent means that the total group premium determined at the beginning of the plan year under the composite method is the same as the total group premium determined on a per-member basis.

## **SECTION 5: WELLNESS PLANS**

### **General Guidelines**

Wellness plans, either participatory or health-contingent, may be offered with both individual and small group plans. Any wellness plan must:

- Meet the requirements of 45 CFR 146.121 and 147.110; and
- Be a part of the policy (i.e., not offered separately).

### **Small Group Plans that Rate for Tobacco Use**

Issuers must include a health-contingent wellness plan in the small group market if they are rating for tobacco use. The plan must provide for a reduction or elimination of the tobacco rating if the insured participates in a tobacco cessation program. The plan must also meet the requirements stated in the General Guidelines above. The plan materials must describe the conditions and benefits of the wellness plan; simply stating that a wellness plan is offered is not sufficient.

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  
Lansing, Michigan 48933  
Toll Free: (877) 999-6442

/s/

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Anita G. Fox  
Director



**Exhibit 1 – FORMS  
PY21 Medical Plans Filing Requirements**

Federal Required Templates	Requires Submission via SERFF		SERFF Location:
	On- and On-/Off-Marketplace	Off-Marketplace	
Essential Community Providers/Network Adequacy	Yes	No	Binder only
Plans and Benefits	Yes	Yes	Binder only
Service Area	Yes	Yes	Binder only
Network ID	Yes	Yes	Binder only
Prescription Drug	Yes	Yes	Binder only
Rates Table	Yes	Yes	Form/Rate Filing & Binder
Business Rules – One per Issuer, include both Individual and Small Group on the same template	Yes	Yes	Form/Rate Filing & Binder
Accreditation	Yes	No	Binder only
Plan ID Crosswalk (Individual only) *	Yes	Yes	Binder only
Transparency in Coverage	Yes	No	Binder only
<b>Michigan Required Supporting Documentation</b>			
Michigan Network Data Template *	Yes	Yes	Binder only
Checklist for Individual and Small Group Medical Plans – Forms	Yes	Yes	Form/Rate Filing & Binder
Checklist for Individual and Small Group Medical Plans – Network Adequacy	Yes	Yes	Binder only
MI Uniform Modification Justification Form	Yes	Yes	Form/Rate Filing & Binder
<b>Filing Deadlines</b>	<b>Small Group 5/13/2020</b>		
	<b>Individual 6/10/2020</b>		

**NOTE:** All required templates must be completed and, if applicable, validated before uploading to SERFF. Use of PY21 QHP Application Review Tools including the Data Integrity Tool is required for the initial template submission and any subsequent submission. All template revisions must be uploaded to the same locations as originally filed (i.e. SERFF Form/Rate Filing, Binder or BOTH).

\*Except for the Plan ID Crosswalk and MI Network Data Templates, **do not** submit templates in the Supporting Documentation in SERFF.



**Exhibit 2 – RATES  
PY21 Medical Plans Filing Requirements**

	Requires Submission via SERFF			
Federal Required Templates	On- and On-/Off-Marketplace	Off-Marketplace	Requires Submission via HIOS	SERFF Location:
Part I: Unified Rate Review (URRT)	Yes	Yes	Yes	Form/Rate Filing & Binder
Part II: Written Description Justifying the Rate Increase *	Yes, for plans that exceed the federal rate review threshold	Yes, for plans that exceed the federal rate review threshold	Yes, for plans that exceed the federal rate review threshold	Form/Rate Filing & Binder
Part III: Actuarial Memorandum	Yes	Yes	Yes, for plans with any increase	Form/Rate Filing & Binder
Rates Table	Yes	Yes	No	Form/Rate Filing & Binder
Michigan Required Templates				
Michigan Supplemental Health Care Exhibit	Yes	Yes	No	Form/Rate Filing & Binder
Checklist for Individual and Small Group Medical Plans –Rates	Yes	Yes	No	Form/Rate Filing & Binder
<b>Filing Deadlines</b>	<b>Small Group 5/13/2020</b>			
	<b>Individual 6/10/2020</b>			

\* Subject to final CMS notification.