

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

**BULLETIN 2017-06-INS**

**In the Matter of**

2018 Form and Rate Filing Requirements  
for Stand-Alone Dental Plans

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**Issued and entered  
this 31<sup>st</sup> day of March, 2017  
by Patrick M. McPharlin  
Director**

Information in this Bulletin is subject to change as federal guidance is finalized.<sup>1</sup> 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-MARKETPLACE**

**General Information and Timelines**

DIFS will continue to perform Plan Management functions for the 2018 plan year. 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 Stand-Alone Dental Plan (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 2018 plan year, DIFS' process for certification and recertification of a SADP is consistent with the process used in prior plan years. Issuers applying for recertification will be required to submit much of the same information as in prior plan years. Issuers 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 [2018 Letter to Issuers in the Federally-Facilitated Marketplace](#) ("Letter").

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<sup>1</sup> See [Final Market Stabilization Rule](#).

## Timeline for SADP Submissions

| Activity                                       |  | Dates                    |
|--|--|--------------------------|
| SADP Application Submission and Review Process | Michigan Filing Deadline   | 5/12/2017                |
|  | DIFS 1 <sup>st</sup> Transfer of Plan Data to CMS  | 6/21/2017                |
|  | CMS Reviews Plan Data; Sends Correction Notices  | 6/22/2017 to 8/2/2017    |
| Final Review                                   | DIFS Final Transfer to CMS   | 8/16/2017                |
|  | Final CMS Review of Revised SADP Application Submissions Received as of August 16  | 8/17/2017 to 9/11/2017   |
| SADP Agreement/Final Certification             | Issuers send signed Agreements, confirmed Plan Lists and final Plan Crosswalks to CMS  | 9/16/2017 to 9/27/2017   |
|  | CMS sends Certification Notices with countersigned Agreements and final plan lists to issuers  | 10/11/2017 to 10/12/2017 |
|  | Limited data correction window: Outreach to Issuers with CMS or state identified data errors; issuers submit corrections; CMS reviews and finalizes data for Open Enrollment | 9/15/2017 to 10/7/2017   |
| Open Enrollment                                |  | 11/01/2017 to 12/15/2017 |

### 2018 SADP Filing Requirements

A complete submission includes SERFF Rate/Form filing and Binder, with all required validated templates and associated items, as outlined in Exhibit 1. Issuers are required to run the 2018 QHP Application Tools and Data Integrity Tool for the initial and any subsequent template submissions. **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 Rate/Form filing and Binder.

## Stand-Alone Dental Checklist Requirements

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

- Checklist for Individual and Small Group SADP - Forms ([FIS 2305](#));
- Checklist for Individual and Small Group SADP - Rates ([FIS 2304](#)); and
- Checklist for Individual and Small Group SADP – Network Adequacy ([FIS 2314](#)).

## Revisions to Previously-Approved SADPs: Red-Lined Versions

Issuers revising previously-approved SADP 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 Rate/Form filing under the same document number. Forms not being revised must still be submitted.

NOTE: There have been numerous revisions to the Michigan Insurance Code, the Patient's Right to Independent Review Act, and the Coordination of Benefits Act due to changes in legislation pursuant to [PA 274](#), [PA 275](#), and [PA 276](#) of 2016.

## 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 adherence to a standard naming convention is to have the ability 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. 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 SADP Forms Checklist;
- DIFS SADP Rates Checklist;
- DIFS SADP Network Adequacy Checklist;
- MI Network Data Template;
- Rates Table Template;
- Actuarial Memorandum;
- Justifications and Attestations;
- 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-Marketplace) are considered to be public immediately upon being filed in SERFF.

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

## Product Withdrawal

Plans may be withdrawn in accordance with the timeline published in the "[Letter](#)." The final opportunity to withdraw plans will be during the plan confirmation process. Issuers opting to withdraw must submit in both the SERFF Rate/Form 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 letter that will be sent to enrollees/consumers outlining the issuer's intent and detailing **all** options available to the enrollee/consumer.
4. Do not make changes to templates.

## Uniform Modification and Plan ID Crosswalks

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 be submitted to [QHP\\_Applications@cms.hhs.gov](mailto:QHP_Applications@cms.hhs.gov) by June 21, 2017 for SADPs in the individual market after it is approved by DIFS.

## Licensure and Good Standing

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

## 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 of the plan's actuarial value signed by a member of the American Academy of Actuaries.

## Annual Limit on Cost-Sharing

The 2018 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) 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

The [Michigan Network Adequacy Guidance](#) reflects current network sufficiency standards and requirements and is available on DIFS website and under the Plan Management general instruction tab in SERFF.

## Essential Community Providers

As of the date of this bulletin, the federal government has not finalized the Market Stabilization Rule. Under current requirements for plan year 2018:

- Issuers of plans on the Marketplace are required to contract with at least 30 percent of available Essential Community Providers (ECPs) in each plan's service area to participate in the plan's provider network;
- The write-in process for ECPs has been discontinued.

If the Market Stabilization Rule is finalized in its proposed form, the following requirements would apply<sup>2</sup> for plan year 2018:

- Issuers of plans on the Marketplace would be required to contract with at least 20 percent of available ECPs in each plan's service area to participate in the plan's provider network;

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<sup>2</sup> See [Final Market Stabilization Rule](#).

- The write-in process for ECPs would continue.

For additional ECP requirements, see the [“Letter”](#) and the Payment [“Notice.”](#) Issuers are also strongly encouraged to monitor the finalization of the Market Stabilization Rule.

## **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. Dental policies and certificates 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.

### **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 18 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 is 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

DIFS will **not** accept more than one filing per market (individual or small group). Issuers that offer various types of offerings, such as on- and off-Marketplace or pediatric and adult, must submit all filings in the same Rate/Form filing. SADP issuers may submit more than one Actuarial Memorandum or format their Actuarial Memorandum to adequately address their entire filing.

All SADP 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

/s/

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Patrick M. McPharlin  
Director





## Exhibit 1 2018 Stand-Alone Dental Filing Requirements

| Federal Required Templates  | Requires Submission 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 |
| Plan ID Crosswalk (Individual only)   | Yes                           | Binder only               |
| Michigan Required Documents   |                               |                           |
| Michigan Network Data Template  | Yes                           | Binder only               |
| Checklist for Individual and Small Group Stand-Alone Dental Plans – Forms                     | Yes                           | Rate/Form Filing & Binder |
| Checklist for Individual and Small Group Stand-Alone Dental Plans – Rates                     | Yes                           | Rate/Form Filing & Binder |
| Checklist for Individual and Small Group Stand-Alone Dental Plans – Network Adequacy          | 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>5/12/2017</b>              |                           |

**NOTE:** All required templates must be completed and, if applicable, validated before filing. Use of the 2018 QHP Application Tools and Data Integrity Tool is required for the initial template and any subsequent template submissions. All Template revisions must be uploaded to the same locations as originally filed (i.e., SERFF Rate/Form Filing, Binder or BOTH). With the exception of the Plan ID Crosswalk template, **do not** submit templates in the Supporting Documentation tab of the Binder.