



## **Section 4.0 Plan Management**

### **4.1**

Expected completion date: Completed

The New Mexico Superintendent of Insurance has authority over all health insurance plans sold in New Mexico. See attached “Statutory Authority to Perform Certification of QHPs and Oversee Issuers.” In November 2012, New Mexicans passed an amendment to the New Mexico State Constitution to remove the Division of Insurance (DOI) from the purview of the Public Regulatory Commission (PRC). The legislature will now decide the details on the restructuring of the Department, including who appoints the insurance superintendent and to whom he or she will report. Regardless of the administrative restructuring, the Superintendent of Insurance will maintain the same authority as outlined in the statute.

### **4.2**

Expected completion date: Second quarter, 2013

DOI will be responsible for plan management functions, including QHP certification, of the HIX solution. DOI will utilize the National Association of Insurance Commissioners’ System for Electronic Rate and Form Filing (SERFF) to support a majority of the plan management functions. See attached “QHP Certification Process” for a step-by-step overview of the process.

DOI will expand its current protocol of plan and issuer approval to encompass QHP plan and issuer approval, as detailed below.

#### Initiate QHP issuer Application

DOI intends to follow a two-part QHP application, with the majority of information collected at the issuer level, and rate and benefit data review, captured at the specific QHP plan level. Applications will be accepted via SERFF, which will be configured to capture the data needed by DOI to certify QHPs. SERFF will perform automated checks on the application for completeness and syntax. Issuers will be asked to attest to the complete application at this time.

The timeline for the initial QHP applications is as follows: QHP carriers will be required to submit their plans by April 8, 2013. DOI will immediately begin to review plans and will have a target date of July 1, 2013 for plan certification.

#### Evaluate QHP Issuer Application

Once the application is complete, the review process will shift to an evaluation of the submitted plan benefit and rate data. The overall QHP plan review process will be facilitated through SERFF; however, specific analytical steps will be performed by DOI staff with the results captured in the SERFF system record. DOI will leverage existing units to focus on QHP application review segments that are complimentary to existing functions. New Mexico has extensive state mandate requirements, which will be included in the QHP certification requirements. For a detailed review of the state requirements, see “State Mandates for PPOs” and “State Mandates for HMOs.”

#### Review Rate and Benefit Data Information

This process includes the receipt of rate and benefit data for each QHP. Rate and benefit data will be received at one time in a comprehensive QHP application, and the issuer attestation process will be performed at the point of initial application submission. In 2011, DOI revised and strengthened the rate review process. See “DOI Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review. “

#### Analyze Rate and Benefit Data and Information

DOI will review and analyze rate and benefit data and information during the QHP application and recertification process, as well as any rate increases that may be requested outside of these cycles. DOI anticipates that all rate increases will be submitted to CMS for QHPs. Issuers will need to update rate and benefit information at least annually. SERFF will be utilized to receive rate information and track the review process and final disposition.

#### Revise QHP Issuer Application

This process may be performed at different points in the QHP Issuer Application Evaluation Process to allow the issuer to resubmit portions of its QHP Issuer Application if issues with the application are discovered. SERFF will be used to notify issuers of the need for revisions, to track correspondence, and receive the updated information.

#### Revise Rate and Benefit Data and Information

This process will be performed by DOI to request issuers to submit revised rate and benefit data and information. SERFF will be used as the technical solution to notify issuers of the need for revisions, to track correspondence, and receive the updated rates. The revised information will then be sent to rate and benefit analysis process.

#### Determine Issuer or Plan Non-Certification

This process provides for non-certification of issuers or specific plans. There are multiple instances within the QHP certification processes that would trigger non-certification of an issuer or a plan. Non-certification communication will be managed within the SERFF system, whereas appeals management and tracking will be handled within by the DOI using existing legal resources.

#### Establish QHP Certification Agreement

This process is performed for those issuers who meet the standards as determined by DOI in the QHP issuer application evaluation, rate analysis, and benefit evaluation processes. DOI and the HIX will develop a standard QHP contract whereby issuers will certify that they will comply

with all applicable state and federal laws, regulations, and guidelines. The SERFF system will facilitate the transmission of the agreement and track the correspondence related thereto.

#### Monitor Issuer and Plan Certification Compliance

DOI will monitor QHP compliance by leveraging existing oversight functions. In the event of an adverse event or adverse finding from a periodic assessment that may affect a QHP's certification status, DOI will coordinate support to resolve the issue. Appeals related to oversight and monitoring activities will be handled through the DOI's existing appeal resolution process. DOI will notify HIX to remove the QHP from sale upon finding cause to decertify a QHP.

#### Maintain QHP Operational Data

This process includes receipt of consumer complaints and corresponding responses, the ongoing management of issuer administrative data, and updating the QHP enrollment period availability. DOI will be responsible for the management of the consumer complaint process for QHPs, including complaints referred from the call center, and will coordinate among internal units as needed to resolve consumer complaints or identify potential compliance issues. SERFF will be used to record all QHP administrative data.

#### Licensure and Financial Solvency

DOI conducts licensure assessments based on financial history, background, financial exams, holding company structure, and other relevant issuer financials. The process includes issuer submission of the Uniform Certificate of Authority Application (UCAA). The UCAA is designed to allow insurers to file copies of the same application for admission in numerous states. Each state that accepts the UCAA is designated as a uniform state. New Mexico fully participates and is designated as a uniform state.

#### Service Areas

DOI will be responsible for plan review including QHP service areas. Issuer plan data submissions must specify service areas that will be reviewed according to guidelines in the PPACA § 155.1055(a):

The QHP service area must cover a minimum geographical area that is at least an entire county or group of counties, unless the HIX determines that serving a smaller geographic area is necessary, nondiscriminatory, and in the best interest of the qualified individuals and employers.

The QHP service area must be established without regard to racial, ethnic, language, health-status related factors, or other factors that exclude specific high utilizing, high cost, or medically-underserved populations. § 155.1055(b).

The existing DOI protocol is consistent with PPACA § 155.1055(a). SERFF form filing will include plan service area parameters. This will be included in the annual submission of plan data.

#### Network Adequacy

Issuers must specify network adequacy upon plan submission to SERFF. SERFF will support the collection of Network Adequacy data and will additionally have the ability to confirm that an issuer has an adequate network or has attested to an adequate network. DOI will ensure that the

QHP has made its provider directory available for online publication (or has provided the source of online publication) and has indicated providers who are no longer accepting new patients according to PPACA § 156.230(b). The SERFF Network Adequacy tool will be used to assess additional requirements included in PPACA § 155 and § 156 such as the inclusion of essential community providers and the availability of sufficient numbers and types of providers.

SERFF form filing will include network adequacy information. This will be included in the annual submission of plan data. DOI may elect to include additional network adequacy requirements once the SERFF enhancement information is available. For a more detailed review of DOI Network Adequacy standards, see DOI “Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review.”

#### Marketing

DOI will be responsible for review of marketing materials. New Mexico currently reviews issuer marketing materials as part of its market conduct examinations that are authorized under New Mexico state law.

#### Accreditation

URAC and NCQA accreditation will be verified and accepted. Quality Improvement and quality measures will be part of accreditation. Complaint and compliance information on issuers is currently available but is not a standard part of the plan review process. Consumer assistance information will be gathered in the QHP review process (and also to develop plan ratings.) Complaints and appeals information will be used in accreditation according to 45 CFR 156.275. Consistent with the National Association of Insurance Commissioners white paper on this topic for QHP issuers that are not already accredited, DOI will establish a uniform period following certification of a QHP within which the issuer must become accredited.

#### Essential Health Benefits and Discriminatory Benefit Design

DOI will review plan filings for compliance with essential health benefit and discriminatory benefit design guidelines, as well as state mandates.

#### Rating Areas

Rating areas will be a consideration in the QHP review process. A third party actuary will assist the state in defining rating areas.

#### Cost-sharing Reductions

Collection, analysis, and if required, submission to Federal government for review of QHPs’ plan variations for cost-sharing reductions, advance payment estimates for such reductions, and any supporting documentation needed to ensure compliance with applicable regulations and accuracy of the cost-sharing reduction advance payments. This should be included in the SERFF functionality.

#### Actuarial Value

DOI will use a third party actuary to verify rates; SERFF will be used to maintain information.

#### Market Reform Rules

DOI will ensure QHP compliance with market reform rules in accordance with all applicable regulations and guidance.

### Rate Review and Rate Increases

Rate information is submitted in SERFF as part of application (usually several months prior to enrollment). Rates are approved by an actuary first if there are a large number of lives affected [under 10% usually handled in house]. Rate increases are reviewed with the Superintendent. Rate increases are analyzed based on earned premium, incurred claims and loss ratio. All of the data for the application comes from SERFF. The rate review process is separate from the application / plan review in form filings. It is an iterative process facilitated by SERFF. There is a 30 day response time required on revisions. Information will be submitted to CCHIO via quarterly reports in the Health Insurance Oversight System (HIOS). For additional rate review details, please see attached "Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review."

### CO-OP Plans

New Mexico has a new CO-OP plan, New Mexico Health Connections, which intends to offer plans on the HIX. DOI will conduct reviews of CO-OP plans on the same basis and in the same manner that it reviews all plans. DOI will provide recommendations to CMS on whether a CO-OP plan meets HIX standards for a QHP to assist CMS in its decision to deem CO-OP as certified to participate according to 42 CFR 156.520 (e);

Please note: The carriers are waiting for HHS guidance and final rules regarding issues such as rating limitations and the AV calculator. The timing of these releases by HHS may affect the carriers' ability to build and submit a plan in a timely manner and may affect DOI's timeline as well.

#### **4.2a**

Expected completion date: Second quarter, 2013

DOI will supplement its existing review staff with staff requested through an MOU with HSD, funded by the Level One Establishment Grant. DOI staff is already trained on existing SERFF functionality.

#### **4.2b**

Expected completion date: Second quarter, 2013 and ongoing

DOI uses the NAIC Uniform Certificate of Authority structure to assess applications from a carrier for a NM Certificate of Authority. The Certificate of Authority is required before a carrier can sell plans in New Mexico. DOI currently uses SERFF to process new form filings and will be able to conduct QHP reviews through a similar process

#### **4.2c**

Expected completion date: Third quarter, 2013

DOI will use the new SERFF enhancement functions. Additionally, the HIA IT RFP includes requirements for all of these functions. The HIX will handle any necessary manual reconciliation with the carriers.

#### **4.2d**

Expected completion date: Third quarter, 2013

DOI will review QHP applications from carriers who possess a current NM Certificate of Authority. They will use the SERFF functionality and a contracted actuary to review actuarial value.

#### **4.2e**

Expected completion date: Completed (with possible enhancements to the statute)

DOI has proposed legislation to align the New Mexico Insurance Code with PPACA. Their intention is to bring the bill to the 2013 New Mexico Legislative Session.

#### **4.3**

Expected completion date: Second quarter, 2013

The number of health plans offered on the HIX is anticipated to be between 40 and 120. New Mexico currently has a small number of carriers. A more accurate estimate will be developed as the project progresses. DOI will be providing all QHP certification for the HIX. Business processes such as agent licensure, carrier solvency, grievances and complaints, rate review, confirmation of actuarial value and carrier Certificates of Authority will be under the authority of the DOI. The HIX will require that QHPs be certified by DOI before they may be sold on the HIX.

HIX business processes are in the initial stages. The HIA IT RFP will include the Web Portal and HIX eligibility engine. It is planned that HIA will issue an RFP to contract the call center services. The HIX will develop a quality reporting protocol to be implemented after January 2014. The HIX will also use SERFF to support most business operations in plan management. SERFF will be used to:

- Initiate the QHP Issuer Application (BP-PM-01), receive QHP application from issuers (BP-PM-01.25) and manage application revisions (BP-PM-04.25), and maintain the final QHP application submission and attestation (BP-PM-01.95)
- Validate that licensure has been established in the QHP review process (BP-PM-01.30)
- Manage QHP submission windows (BP-PM-01.96)
- Facilitate the evaluation of the QHP issuer application and maintain information about evaluation results (BP-PM-02.37), including determinations of non-certification (BP-PM-05.15)
- Note: DOI will access complaint information as part of QHP evaluation (BP-PM-02.20) through the HIOS system and through previous data calls. In case of non-certification, the DOI Office of General Counsel uses an appeals tracking system to maintain a low volume of QHP appeals data. (BP-PM-05.35). The appeals tracking system would also be used in the decertification process as the result of a review or compliance issue (BP-PM-07.96).

- Receive QHP Rate and Benefit Data and Information/ timeframes (BP-PM-03.25) and revisions (BP-PM-11.25) as well as maintain plan rate and benefit updates (BP-PM-10.60 and BP-PM-10.65)
- Maintain certification acceptance agreements submitted by issuers (BP-PM-06.60) as well as non-acceptance (BP-PM-06.40).
- Monitor ongoing compliance including accessing plan information such as network data and rate and benefit information as a result of an adverse event or periodic review (BP-PM-07.10)

#### Exchange Of Data With CMS

The IT RFP calls for the SERFF-provided interface.

#### **4.3a**

Expected completion date: Second quarter, 2013

DOI will use the new SERFF enhancement functions.

#### **4.3b**

Expected completion date: Second quarter, 2013

DOI will use a contracted actuary for determining the second-lowest cost silver plan. A qualified vendor will be procured for this activity through an RFP issued by HIA.

#### **4.4**

Expected completion date: Second quarter, 2013, and ongoing

DOI intends to monitor QHP compliance by leveraging existing oversight functions within the department. In the event of an adverse event or adverse finding from a periodic assessment that may affect a QHP's certification status, DOI units will coordinate to support the resolution of the issue.

#### Consumer assistance; Issue and Complaint Resolution and Reporting

DOI is responsible for addressing consumer inquiries, comments, and complaints; collecting data; and reporting data to the federal government. The plan oversight system is largely complaint or referral-based and driven by reports to the DOI. Complaints and issues related to QHPs will be managed within the existing business process. The DOI sends quarterly compliance uploads to HIOS and bi-monthly reports to NAIC. Additionally, the Superintendent issues a data call annually to review grievances and complaints filed against a carrier during the previous year.

DOI uses a distributed complaint/issue tracking system. In some cases, the Examinations Bureau will become involved in issuer oversight, especially in cases where the legal department is contacted directly as opposed to complaints logged in consumer assistance. The DOI provides inter-agency information as necessary.

The DOI “Consumer Guide to External Review” explains the complaint-filing and resolution process: <http://www.nmprc.state.nm.us/insurance/managed-healthcare/consumer-guide-external-review.html>

#### Licensure, Financial Solvency, and Market Conduct

DOI is responsible for oversight of the licensure, solvency, and market conduct of issuers who submit QHPs to be offered on the exchange. Market conduct exams will be conducted every 3 years and compliance issues will be addressed. DOI conducts financial oversight of issuers including review of financial statements, quarterly write-ups assessing risk profiles, and other audits or reviews as needed. During the course of complaint resolution, the Examinations Bureau may be notified of potential solvency or market conduct issues and may initiate an investigation. DOI has the capacity to review foreign issuers as necessary in conjunction with the state of domicile.

DOI will use its existing protocol, expanded to include the standards for QHPs, to monitor ongoing compliance. Issuers are currently required to obtain a renewal of their Certificate of Authority annually. DOI uses the NAIC Uniform Certificate of Authority structure to assess applications for Certificates of Authority from carriers.

DOI and the HIX will be able to transfer information electronically, using the new HIX IT system and with some modifications to the existing DOI IT system. The HIX will require that a QHP be certified/approved by DOI before it can be offered to consumers.

#### **4.4a**

Expected completion date: Second quarter, 2013, and ongoing

See Section 4.4

#### **4.4b**

Expected completion date: Third quarter, 2013

The DOI Superintendent of Insurance issues an annual data call, which includes data provided by carrier, of all consumer grievances and complaints. Additionally, DOI has a consumer ombudsman to assist consumers with complaints. The HIX call center will be the initial point of contact for consumers with complaints. Complaints regarding consumers seeking to appeal a QHP decision or lodge a complaint against a QHP or QHP provider will be routed by the call center staff to DOI. The call center will keep records of those referrals.

#### **4.5**

Expected completion date: Second quarter, 2013

QHP Issuers will designate a point of contact for HIX matters. DOI provides plan submission support to health insurance carriers in plan filing process, largely facilitated through SERFF. QHP submissions will follow a similar process but may require more support and issue resolution specifically related to new QHP form fields or documentation necessary to submit QHPs. DOI will support the issuers with the filing process including contact with the DOI IT division if required to assist with technical issues. If issuers contact DOI, they will be routed to



the appropriate division unless the IT Department is able to resolve the issue. DOI will be responsible for maintaining any updates in the issuer QHP account, if applicable.

Additionally, DOI plans to create outreach to New Mexico's carriers regarding the new QHP process, in all its areas. Since the number of carriers is so small, a DOI staff member should be able to take calls from the carrier contact to clarify any additional questions once the initial training has been attended.

#### **4.6**

Expected completion date: Second quarter, 2013

##### Decertification / Withdrawal/ Transitioning

Consumers and employers transitioning to new plans will be sent notifications of the new enrollment period, giving them sufficient time to enroll in a new plan. DOI will follow standard industry practices on transitioning.

QHPs may be decertified or withdrawn in the course of ongoing or periodic monitoring or as the result of an adverse event reported to DOI. If DOI is considering a non-compliant event that could lead to decertification, it will send an interim letter of sanction to the carrier, specifying the issue and its needed resolution. It will also include a statement of possible decertification and the time periods that will be used to monitor the carrier's attempts to resolve the issue. If there is a voluntary company/issuer withdrawal from the state, the company must give the state 180 days' notice. For QHP individual plan withdrawal, DOI sends notification to the consumers. For SHOP plan withdrawal, DOI will work with the HIX to send notifications to the employers.

##### Appeals

New Mexico has an informal hearings process with a group of deputy commissioners that serve as hearing officers when necessary. Outside hearing officers can also be appointed. Issuers can appeal decisions made by DOI, such as objection letters to rate filings. See the appeal protocol attached in: Carrier Appeal Process.

#### **4.6a**

Expected completion date: Second quarter, 2013

Plans will be required to submit for recertification every three years. They will submit via SERFF, and DOI will follow the same protocol used for initial certification. Renewal will be available annually and will include the review of QHP rate, benefit, and cost sharing information pursuant to 45 CFR 155.1020(c).

#### **4.6b**

Expected completion date: Second quarter, 2013

See Section 4.6.

#### **4.6c**

Expected completion date: Second quarter, 2013

See Section 4.6.

#### **4.7**

Expected completion date: Completed

1st year of business on the HIX - QHP carriers have identified their business process and procedures and have already scheduled or plan to schedule their initial accreditation application.

2nd year of business on the HIX - QHP carriers have submitted their initial accreditation application.

3rd year of business on the HIX - QHP carriers become fully accredited including reporting of clinical quality data.

Carriers will be notified of accreditation requirements through the existing DOI communication protocol of DOI Bulletins.

#### **4.8**

Expected completion date: Third quarter, 2013

This activity will be ongoing. DOI and the HIX currently anticipate that accreditation confirmation will be accommodated via SERFF for the 2014 plan year. Thus, the plan is to use quality data provided to SERFF for accreditation. The HIX also intends to collect consumer satisfaction data post-2014 and inclusion of accreditation related quality data will be considered at a future date.

#### **Supporting documentation:**

- Statutory Authority to Perform Certification of QHPs and Oversee Issuers
- Qualified Health Plans Certification Process
- New Mexico State Mandates for PPOs
- New Mexico State Mandates for HMOs
- Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review
- Links – Division of Insurance
- Carrier Appeal Process
- ACA Brochure