

Exchange and Insurance Market Standards for 2015 and Beyond

Overview

CMS is releasing a final rule for Exchange and Insurance Market Standards for 2015 and beyond. The policies in these documents were previously described in the preamble of the HHS Notice of Benefit and Payment Parameters for 2015 and in the Notice of Proposed Rule Making (NPRM) for this rule, both released in March. The rule finalizes policies regarding consumer notices, quality reporting and enrollee satisfaction surveys, the Small Business Health Options Program (SHOP), standards for Navigators and other consumer assisters, and policies regarding the premium stabilization programs, among other standards.

Today's policies are aimed at giving consumers additional tools to evaluate their options and find plans that best meet their needs and budget. Key policies outlined in today's final rule include:

Standardizing Notices to Improve Consumer Education and Choices: In order to provide clear information to consumers when insurers make changes to their health insurance coverage, today, HHS finalized rules requiring issuers to use standardized notices when renewing coverage or discontinuing products. These notices will help to ensure that consumers understand the changes and choices in the individual and small group market.

Strengthening the Prescription Drug Exceptions Process: The final rule builds upon the requirement that plans providing Essential Health Benefits (EHB) have procedures in place allowing enrollees to request and gain access to clinically appropriate drugs not covered by the plan. Building upon this standard, today's rule requires that these procedures include an expedited exceptions process for enrollees suffering from a health condition that may seriously jeopardize the enrollee's life, health, or ability to regain maximum function, or when an enrollee is undergoing a current course of treatment using a drug not covered by the plan. As part of this expedited process, health plans must make coverage determinations within no more than 24 hours after receiving the request, and must continue to provide the drug throughout the duration of the enrollee's medical issue.

Implementing Quality Standards: To help empower consumers, the final rule takes the next step in making quality information available to consumers while they shop for plans in the Marketplace. Building upon the existing Qualified Health Plan (QHP) certification requirements related to quality reporting and implementation of quality improvement strategies, we are requiring insurers to submit data to support the calculation of the quality ratings. HHS will specify the form, manner, reporting level, and timeline in future technical guidance. Marketplaces must display the HHS-calculated quality ratings and enrollee satisfaction survey results in a clear and standardized manner starting in 2016.

Providing Additional Options for SHOP in 2015: Today's rule aligns the start of annual employer election periods in Federally-facilitated (FF)-SHOPs for plan years beginning in 2015

with the start of open enrollment in the individual market Exchange for the 2015 benefit year to minimize confusion and maximize efficiency. The rule also lists the conditions under which a SHOP would be permitted to not implement “employee choice” in which employers would allow employees to choose one plan, rather than any health plan within a metal tier, if their State Insurance Commissioner believes it is in the best interest of consumers in their State.

Strengthening Standards for Navigators and Other Assisters: In order to ensure that Navigators and other assisters are able to carry out their responsibilities to help consumers enroll in insurance coverage while meeting federal requirements for assister programs, the rule specifies a non-exhaustive list of state requirements that would conflict with the federal standards established for assisters and Marketplace assister programs under title I of the Affordable Care Act. HHS developed these provisions after consultation with stakeholders (including states, non-profit community-based organizations, hospitals, and community health centers), as well as its ongoing monitoring of state laws and their effects on assister programs. In addition, today’s rule codifies and strengthens many of the standards already in practice that are applicable to the different consumer assistance entities and individuals. For example, the rule would prohibit assisters from specified solicitation activities such as offering cash or gifts other than those that are nominal as an inducement to enroll in coverage. The rule would also formalize that assisters cannot charge for services they are certified by the Marketplace to provide and must be recertified annually.

Clarifies Premium Stabilization Policies: We are finalizing without change our proposal to raise the ceiling on allowable administrative costs and raise the floor on profits by 2-percentage points in the risk corridors formula. This adjustment will be applied uniformly in all states for 2015 to help with unexpected administrative costs and pricing uncertainties. The rule finalizes our proposal to allocate reinsurance contributions to the reinsurance payment pool before payments for administrative expenses and to the Treasury if there is a shortfall in the collection of the reinsurance fee. Lastly, we finalize various amendments to the medical loss ratio (MLR) provisions, including standards that would modify the timeframe for which issuers can include their ICD-10 conversion costs in their MLR calculation and account for the special circumstances of issuers during the transition to the 2014 reformed market. The core requirements of the MLR program, for example the requirement that insurers spend at least 80 percent (small group market), or 85 percent (large group market) of premiums on health care and quality improvement, are not affected by these proposed adjustments.

The 2015 Exchange and Insurance Market Standards Final Rule can be accessed here: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/508-CMS-9949-F-OFR-Version-5-16-14.pdf>.