



South Carolina Department of Insurance

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BULLETIN 2010-04

To: All Licensed Life, Accident & Health Insurers and Health Maintenance Organizations in the State of South Carolina

From: Scott H. Richardson, CPCU 
Director

Subject: Process for Filing Amendments to Forms to Comply with the Immediate Market Reform Requirements of the Patient Protection and Affordable Care Act (PPACA)

Date: June 16, 2010

I. Purpose

The purpose of this Bulletin is to inform all licensed life, accident & health insurers and health maintenance organizations of the procedures for filing amendments to policy forms to comply with the immediate market reform requirements of the Patient Protection and Affordable Care Act (PPACA).

II. Immediate Market Reforms

The Patient Protection and Affordable Care Act was signed into law on March 23, 2010. Amendments to the PPACA were included in the Health Care and Education Reconciliation Act of 2010, which was enacted on March 30, 2010 (these two Acts are collectively referred to as the "PPACA"). The following health insurance market reforms become effective for plan years beginning on or after six months after the enactment of PPACA and are often referred to as the "Immediate Market Reforms."

1. No lifetime limits on dollar value of benefits;
2. Restricted annual limits on dollar value of certain benefits as defined by HHS;
3. Rescissions prohibited (except for fraud or intentional misrepresentation);
4. Coverage of dependent children up to age 26;
5. Pre-existing condition exclusions prohibited for children up to age 19;
6. Internal and external appeals process for enrollees;
7. Benefits for preventive services required, with no cost-sharing;
8. Prohibition of discrimination based upon salary;
9. Access to pediatricians;
10. Access to OB/GYNs; and

11. Coverage for emergency services at in-network cost-sharing level; no prior authorization requirements.

The above changes may be accomplished by filing an amendatory endorsement or rider, a completed PPACA Uniform Compliance Summary, and a PPACA Certification. All filings must be made within 60 days of the regulation promulgated by the U.S. Department of Health and Human Services but no later than October 1, 2010, unless otherwise approved by the Department.

III. Requirements Applicable to Filings

All filings made to comply with the immediate market reform requirements of PPACA must also comply with the requirements of Bulletin 2003-13. In addition, the following information must be included with the filing:

SERFF Submissions:

1. Filing Description
2. PPACA Uniform Compliance Summary, interactive PDF in SERFF;
3. PPACA Certification, see attached link;
4. If rates are impacted, rates must be submitted for prior approval in accordance with Bulletin 2003-13. Filings containing rate changes cannot be submitted as priority PPACA filings.

PAPER Submissions:

1. Filing Description – to be included on the cover letter. The filing description must clearly state that the filing has been made to comply with the immediate market reform requirements of PPACA. In addition, the filing description must clearly state whether or not any other changes have been made to the form and whether or not rates are impacted by the filing;
2. PPACA Uniform Compliance Summary, see attached link;
3. PPACA Certification, see attached link;
4. The filing MAY NOT be submitted as **prioritized** if it contains additional modifications. If the filing is submitted as prioritized and it contains changes other than those listed above, the filing will be disapproved and closed and the company must submit a new filing. If rates are impacted, rates must be submitted for prior approval in accordance with Bulletin 2003-13. Filings containing rate changes cannot be submitted as priority PPACA filings.

III. Questions:

Any questions about the contents of this Bulletin should be directed to the attention of: Loraine Ingram, Compliance Analyst, at lingram@doi.sc.gov or at 803-737-6097 or Carla Griffin, Program Manager II. at cgriffin@doi.sc.gov or at 803-737-6781.

PPACA Uniform Compliance Summary

Please select the appropriate check box below to indicate which product is amended by this filing.

- INDIVIDUAL HEALTH BENEFIT PLANS** (Complete [SECTION A](#) only)
 SMALL / LARGE GROUP HEALTH BENEFIT PLANS (Complete [SECTION B](#) only)

This form filing compliance summary is to be submitted with your [endorsement][contract] to comply with the immediate market reform requirements of the Patient Protection and Affordable Care Act (PPACA). These PPACA requirements apply only to policies for health insurance coverage referred to as “major medical” in the statute, which is comprehensive health coverage that includes PPO and HMO coverage. This form includes the requirements for grandfathered (coverage in effect prior to March 23, 2010) and non-grandfathered plans, and relevant statutes. Refer to the relevant statute to ensure compliance. Complete each item to confirm that diligent consideration has been given to each. *(If submitting your filings electronically, bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page/paragraph on this form.)*

***For all filings, include the Type of Insurance (TOI) in the first column.**

Check box if this is a paper filing.

COMPANY INFORMATION

Company Name	NAIC Number	SERFF Tracking Number(s) *if applicable	Form Number(s) of Policy being endorsed	Rate Impact
				<input type="checkbox"/> Yes <input type="checkbox"/> No

PPACA Uniform Compliance Summary

SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19	<i>[Sections 2704 and 1255 of the PHSA/Section 1201 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Eliminate Annual Dollar Limits on Essential Benefits Except allows for “restricted” annual dollar limits for essential benefits for plan years prior to January 1, 2014.	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Eliminate Lifetime Dollar Limits on Essential Benefits	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Prohibit Rescissions – Except for fraud or intentional misrepresentation of material fact.	<i>[Section 2712 of the PHSA/Section 1001 of PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			

PPACA Uniform Compliance Summary

SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p>Preventive Services – Requires coverage and prohibits the imposition of cost-sharing for specified preventative services.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2713 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	<p>Extends Dependent Coverage for Children Until age 26 – If a policy offers dependent coverage, it must include dependent coverage until age 26.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2714 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	<p>Appeals Process – Requires establishment of an internal claims appeal process and external review process.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2719 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	<p>Emergency Services – Requires plans that cover emergency services to provide such coverage without the need for prior authorization, regardless of the participating status of the provider, and at the in-network cost-sharing level.</p> <p>Explanation:</p> <p>Page Number:</p>	<i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.

PPACA Uniform Compliance Summary

SECTION A – Individual Health Benefit Plans

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p>Access to Pediatricians – Mandates that if designation of a PCP for a child is required, the person be permitted to designate a physician who specialized in pediatrics as the child’s PCP if the provider is in-network.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please explain.</p>
	<p>Access to OB/GYNs – Prohibits authorization or referral requirements for obstetrical or gynecological care provided by in-network providers who specialize in obstetrics or gynecology.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please explain.</p>

PPACA Uniform Compliance Summary

SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19	<i>[Sections 2704 of the PHSA/Section 1201 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Eliminate Annual Dollar Limits on Essential Benefits – Except allows for “restricted” annual dollar limits for essential benefits for plan years prior to January 1, 2014.	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Eliminate Lifetime Dollar Limits on Essential Benefits	<i>[Section 2711 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Prohibit Rescissions – Except for fraud or intentional misrepresentation of material fact.	<i>[Section 2712 of the PHSA/Section 1001 of PPACA]</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			

PPACA Uniform Compliance Summary

SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	Preventive Services – Requires coverage and prohibits the imposition of cost-sharing for specified preventative services	<i>[Section 2713 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Extends Dependent Coverage for Children Until age 26 – If a policy offers dependent coverage, it must include dependent coverage until age 26. ◇	<i>[Section 2714 of the PHSA/Section 1001 of the PPACA]</i>	<input type="checkbox"/> Yes [◇] <input type="checkbox"/> No If no , please explain.	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			
	Appeals Process – Requires establishment of an internal claims appeal process and external review process.	<i>[Section 2719 of the PHSA/Section 1001 of the PPACA]</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	Explanation:			
	Page Number:			

◇ For plan years beginning before January 1, 2010, grandfathered group plans are not required to extend coverage to a child until the age of 26 if such child is eligible to enroll in another employee-sponsored plan

PPACA Uniform Compliance Summary

SECTION B – Group Health Benefit Plans (Small and Large)

TOI	Category	Statute Section	Grandfathered	Non-Grandfathered
	<p>Emergency Services – Requires plans that cover emergency services to provide such coverage without the need for prior authorization, regardless of the participating status of the provider, and at the in-network cost-sharing level.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	<p>Access to Pediatricians – Mandates that if designation of a PCP for a child is required, the person be permitted to designate a physician who specialized in pediatrics as the child’s PCP if the provider is in-network.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.
	<p>Access to OB/GYNs – Prohibits authorization or referral requirements for obstetrical or gynecological care provided by in-network providers who specialize in obstetrics or gynecology.</p> <p>Explanation:</p> <p>Page Number:</p>	<p><i>[Section 2719A of the PHSA/Section 10101 of the PPACA]</i></p>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No If no , please explain.

PPACA CERTIFICATION

**CERTIFICATION OF COMPLIANCE WITH
IMMEDIATE MARKET REFORMS OF PPACA**

I, THE UNDERSIGNED OFFICER OF _____
(Name of Entity)

HAVE REVIEWED OR SUPERVISED THE REVIEW OF THE POLICY FORMS, ENDORSEMENTS OR AMENDMENTS CONTAINED IN THIS FILING AND HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT THEY ARE IN COMPLIANCE WITH THE PROVISIONS OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT WHICH BECAME EFFECTIVE 6 MONTHS AFTER ENACTMENT (“IMMEDIATE MARKET REFORMS”) AND ANY APPLICABLE STATUTES, REGULATIONS AND BULLETINS OF THE STATE OF SOUTH CAROLINA. I FURTHER CERTIFY THAT THE FORMS WILL BE REVISED AND/OR DISCONTINUED AS APPROPRIATE IN THE EVENT OF FUTURE CHANGES IN APPLICABLE STATE OR FEDERAL STATUTES, REGULATIONS OR BULLETINS.

(Signature of Officer*)

(Title of Officer*)

(Printed Name of Officer*)

(Date)

* *If the individual signing the certification is other than the president, vice president, assistant vice president, corporate secretary, assistant corporate secretary, CEO, CFO, COO, General Counsel, or an actuary that is also a corporate officer, documentation must be included that shows that this individual has been appointed as an officer of the organization by the Board of Directors.*

FAQ

Patient Protection and Affordable Care Act (PPACA)

1. If a company already complies with a PPACA requirement, do they have to file anything with the Department of Insurance?

Yes, please review the filing requirements listed in Bulletin 2010-04. The Uniform Compliance Summary provides for each category, including a description and page number. This, along with the Certification will confirm compliance.

2. What plans are considered grandfathered?

Plans that were in effect as of March 23, 2010 and have maintained their grandfathered status per regulation are considered grandfathered.

3. What immediate health insurance reforms affect grandfathered plans for form filing requirements?

Individual

Individual lifetime dollar limits on essential benefits
Prohibition of rescissions
Dependent coverage for children until age 26

Small/Large Group

Eliminate annual dollar limits on essential benefits
Eliminate lifetime dollar limits on essential benefits
Prohibition of rescissions
Dependent coverage for children until age 26
Eliminate pre-existing condition exclusions for enrollees under age 19

4. How should the changes to the grandfathered plans be submitted to the Department?

The changes should be made as amendments to the original product as specified in Bulletin 2010-04.

5. What are the plans effective March 24 through September 22, 2010 considered; grandfathered or non-grandfathered?

Non-grandfathered

6. What reforms affect the plans in effect March 24, 2010 through September 22, 2010?

All Immediate Market Reforms as specified in Bulletin 2010-04 that are required of all non-grandfathered plans apply to these.

7. Can the changes to the non-grandfathered plans be made via amendment or does a new product have to be filed?

A new product must be filed because a single product number cannot offer different coverages. A 'me-too' filing may be made with a new form # and the appropriate amendments.

8. What are the filing requirements for the prohibition of discrimination based on salary since it is not included on the Uniform Compliance Summary?

The same filing requirements as the other reforms must be adhered to. The category can be manually filled in. It applies to non-grandfathered group health plans.

9. What are the filing requirements with regard to the internal and external review processes?

Internal claims appeal process:

Grandfathered plans – No filing required.

Non-grandfathered plans – all plans – new product must incorporate Department of Labor's claims and appeals procedures.

External review:

Non-grandfathered plans – all plans – must meet current state law requirements.

(Department has until 7/1/2011 to adopt most recent model act at which time plans must comply with the new model act).

10. How will the rates be treated for the PPACA filings?

The current rating statutes apply. However, it is important to note that the new Medical Loss Ratio standards become effective January 1, 2011. These new standards must be reflected in new rate filings. Also, the Department of Health and Human Services is establishing guidelines to define 'unreasonable' rate increases. Additional filing requirements may be required when the new regulations are developed.

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