

6-18

Secretary of State
Certificate and Order for Filing
PERMANENT ADMINISTRATIVE RULES

I certify that the attached copies* are true, full and correct copies of the PERMANENT Rule(s) adopted on June 17, 2008 by the

Oregon Department of Consumer and Business Services Insurance Division 836
Agency and Division Administrative Rules Chapter Number
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to become effective upon filing. Rulemaking Notice was published in the April 2008 Oregon Bulletin.**

RULE CAPTION

Filing and Public Disclosure of Health Benefit Plan Rates
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION
List each rule number separately, 000-000-0000.

ADOPT:

AMEND: OAR 836-053-0910

REPEAL:

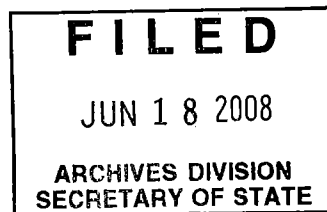
Renumber:

Amend and Renumber:

Stat. Auth.: ORS 731.244

Other Authority

Stats. Implemented: ORS 743.018, as amended by section 1, chapter 391, Oregon Laws 2007 (Enrolled House Bill 3103), ORS 743.730 to 743.773



RULE SUMMARY

This rulemaking implements 2007 legislation that requires rate filings for certain health benefit plans to be available for public inspection once the filings are submitted to the Director. The requirement applies to health benefit plans for small employers and to portability and individual health benefit plans. The rulemaking provides for public inspection of the filing, states the manner and format for filing the rating information and exemptions from the filing requirement and requires a carrier to include with a rate filing an explanatory statement about the filing. This rulemaking applies to filings made on and after May 11, 2008.

Authorized Signer

Scott Kipper 6-18-08
Printed Name Date

*With this original, file one photocopy of certificate, one paper copy of rules listed in Rule making Actions, and one electronic copy of rules.
**The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or holiday when Notice forms are accepted until 5:00 pm on the preceding workday. ARC 930-2005

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

INSURANCE DIVISION

DIVISION 53

HEALTH BENEFIT PLANS

Rating

836-053-0910

Rate Filing

- (1) A carrier shall file with the Director:
 - (a) The appropriate checklists and certification statements, as established in OAR 836-010-0011;
 - (b) An actuarial demonstration of the basis for the differences in the geographic average rates of the various plans offered in the marketplace. This demonstration shall be certified by a member of the American Academy of Actuaries both at the initial submission and subsequently when the rate relativities between plans are changed.
- (2) A carrier shall not offer a subject health benefit plan until the Director has determined that the filed geographic average rate meets the applicable statutory requirements.
- (3) An approved geographic average rate shall not be modified by a carrier until the Director has determined that the filed modification meets the applicable statutory requirements.
- (4) Rate filings pursuant to requirements specified in OAR 836-010-0011 and 836-010-0021 for any of the following health benefit plans subject to ORS 743.730 to 743.773 must be submitted to the Director in electronic format:
 - (a) Health benefit plans for small employers.
 - (b) Portability health benefit plans.
 - (c) Individual health benefit plans.
- (5) Forms of acceptable electronic filing format under section (4) of this rule are:
 - (a) Filings submitted using the National Association of Insurance Commissioner's System for Electronic Rate and Form Filings (SERFF); or
 - (b) Filings with documentation attached in pdf format that is under 3MB in size. For the purpose of this subsection, each filing requirement, such as an exhibit, an actuarial memorandum or a certificate of compliance, must be in a separate pdf format under 3MB in size. These filings may be submitted via email with documents attached in pdf format, or the filings may be submitted on a compact disc (CD) with documents attached in pdf format. If submitting via email, the combined size of the email plus attached documents being transmitted must be less than four megabytes.
- (6) A carrier shall submit with a filing under section (4) of this rule a statement that explains the filing in plain language for the purpose of public information, according to the form established in Exhibit 1 or Exhibit 2 to this rule or in other substantively similar wording.
- (7) The following apply to an insurer requesting exemption from disclosure:
 - (a) The insurer must submit the part or parts of the filing requested to be exempt in a separate pdf format from the portion of the filing for which exemption is not requested.
 - (b) The insurer must accompany the exemption request by a clear and detailed explanation of the following:
 - (A) How the part or parts of the filing meet the requirement of a trade secret; and
 - (B) How public disclosure of the trade secret would harm competition in the Oregon health insurance market, with particular attention to the effects of disclosure on Oregon consumers, along with evidence that demonstrates likely consequences.
 - (c) The insurer must submit the request with the rate filing.
- (8) Contents of rate filings described in section (4) of this rule and statements described in section (6) of this rule will be posted for public inspection on the Oregon Insurance Division

website. A carrier that submits a request for exemption may respond to the Director not later than the fifth day after the carrier receives the Director's decision to grant or deny the exemption. A request for exemption in compliance with this section will stay disclosure of the part of a filing to which the request applies, pending the Director's decision on the request. Similarly, a request for a hearing on a decision by the Director will also stay disclosure of the part of a filing to which the request applies.

(9) Violation of any provision of this rule is an unfair trade practice under ORS 746.240.

(10) Sections (4) to (8) of this rule apply to a rate filing made on or after May 11, 2008.

Stat. Auth.: ORS 731.244

Stats. Implemented: ORS 743.730 - ORS 743.773

Rate Filing Summary Amending Rates

The Oregon Insurance Division must approve the rates of all health benefits plans in the individual, small employer and portability markets.

This is a summary of the information contained in the (select one: individual, small employer or portability) health benefit plan rate filing for (insurer name). The total change in premium requested is an average _____ percent above (or below) one year earlier. The requested change will be effective (date), and will apply to policies issued or renewed on or after that date. (number of Oregonians) Oregonians are covered. Consumers' premiums are affected by a number of factors, including but not limited to changes in costs for and uses of medical services and prescriptions, changes in policy benefits, the ages to the people covered, where they live and whether family members are covered.

This summary describes the overall effect of the rate filing relating to medical and prescription benefits in policies and shows the average change in the rates owing to this filing. This summary does not describe the effects of the rate filing on your policy or on any particular policy. The increase or decrease in the rate for your policy may be greater or lesser than the average change.

This summary does not describe rating changes owing to benefits other than medical and prescription benefits. For this rate filing:

Medical and prescription costs: This rate filing asks for a total medical and prescription rate (select one: increase; decrease) of _____ percent above or below the rates of one year earlier. Part of this (select one: increase; decrease) is because the cost of medical services for these policies has (select one: gone up; gone down) by _____ percent and because the cost of prescriptions has (select one: increased; decreased) by _____ percent. This rate is also affected by changes in medical and prescription benefits.

Medical and prescription benefits: Part of the medical rate and prescription rate (select one: increase; decrease) is because changes have been made to these medical and prescription benefits: (list changes in benefits). These changes (select one: increased; decreased) the medical rate by _____ percent and (select one: increased; decreased) the prescription rate by _____ percent.

A health insurance premium is made up of three pieces: the claims costs, administrative costs, and profit.

Claims costs: This filing states that for the policies it covers, the claims costs as a portion of premium will change from _____ percent to _____ percent.

Administrative costs: This filing states that for the policies it covers, the administrative costs as a portion of premium will change from _____ percent to _____ percent.

Profit; margin: This filing states that the profit the insurance company expects to make, or the margin anticipated if the insurance company is a nonprofit, for the policies covered as a portion of premium will change from ___ percent to ___ percent.

Glossary

Administrative costs—These are additional costs the insurance company pays to operate this insurance plan. Such costs include the salaries of company employees, the costs of the company's offices and equipment, commissions to agents to sell and service policies, mandatory subsidies to cover legally required plans such as portability and the Oregon Medical Insurance Pool, and taxes.

Claims costs—These are what the insurance company pays out as claims to purchase medical services, prescriptions, and other health-related goods and services for the insured people.

Medical and prescription benefits—These are the policy provisions detailing what the insurance company will pay for various health-related goods and services. If a company changes the policy to offer new or better benefits or to reduce current benefits, a rate increase or decrease may take place.

Medical and prescription costs—The portion of the premium that pays for medical services and prescriptions. In some policies, prescription costs are shown as a separate item.

Portability—The name of the health benefit plan for people who lose their employer-sponsored health insurance.

Profit—This is what is left over after the costs associated with the claims and administrative costs are paid. Profit can vary greatly from one year to the next. "Margin" is the comparable term for a nonprofit insurance company.

Rate Filing Summary For a New Plan

The Oregon Insurance Division must approve the rates of all health benefits plans in the individual, small employer and portability markets.

This is a summary of the information contained in the (select one: individual, small employer or portability) health benefit plan rate filing for (insurer name). The premium requested is _____. These rates will be effective (date). (number of Oregonians) Oregonians will be covered. Consumers' premiums are affected by a number of factors, including but not limited to changes in costs for and uses of medical services and prescriptions, changes in policy benefits, the ages to the people covered, where they live and whether family members are covered.

This summary does not describe the effects of the rate filing on your policy or any particular policy. The rate for your policy may be greater or lesser than the average amount.

A health insurance premium is made up of three pieces: the claims costs, administrative costs, and profit.

Claims costs: This filing states that for the policies it covers, the claims costs as a portion of premium is ___ percent. This portion of the filing represents costs of medical services and prescription benefits.

Administrative costs: This filing states that for the policies it covers, the administrative costs as a portion of premium is ____ percent.

Profit; margin: This filing states that the profit the insurance company expects to make or the margin anticipated if the insurance company is a nonprofit, for the policies covered as a portion of premium will change from ___ percent to ___ percent.

Glossary

Administrative costs—These are additional costs the insurance company pays to operate this insurance plan. Such costs include the salaries of company employees, the costs of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability and the Oregon Medical Insurance Pool, and taxes.

Claims costs—These are what the insurance company pays out as claims to purchase medical services, prescriptions, and other health-related goods and services for the insured people.

Medical and prescription benefits—These are the policy provisions detailing what the insurance company will pay for various health-related goods and services. If a company changes the policy to offer new or better benefits or to reduce current benefits, a rate increase or decrease may take place.

Medical and prescription costs—The portion of the premium that pays for medical services and prescriptions. In some policies, prescription costs are shown as a separate item.

Portability—The name of the health benefit plan for people who lose their employer-sponsored health insurance.

Profit—This is what is left over after the costs associated with the claims and administrative costs are paid. Profit can vary greatly from one year to the next. “Margin” is the comparable term for a nonprofit insurance company.
