



Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

TO: ALL COMPANIES AUTHORIZED TO WRITE HEALTH INSURANCE IN ILLINOIS

FROM: MICHAEL T. MCRAITH *MTM*

DATE: FEBRUARY 1, 2011

RE: COMPANY BULLETIN 2011-02

REQUIRED SUBMISSION AND APPROVAL OF ACTUARIAL MEMORANDUM AND JUSTIFICATION REVIEW STANDARDS FOR NEW AND RENEWAL HEALTH RATES – ILLINOIS WEB PORTAL

Pursuant to Section 2794 of the Public Health Service Act, added by Section 1003 of the Federal Patient Protection and Affordable Care Act (PPACA), Pub. L. 111-148, the Department of Insurance has established a premium reporting and review process.

The purpose of this bulletin is to offer health insurers assistance in meeting this requirement by clarifying affected rate filings and providing a web portal through which electronic filings and actuarial memoranda may be electronically reported. This reporting process does not replace existing requirements for the submission of these materials through SERFF. The Department of Insurance issued a previous Company Bulletin (CB 2010-08) which provided specific guidance on the required submission of the actuarial memorandum and justification review standards for new and renewal health rates:

<http://insurance.illinois.gov/cb/2010/cb2010-08.pdf>

The bulletin specified that the Department would establish on or before February 1, 2011, a website through which the electronic reporting of these rates and actuarial memorandum would be available. The initial Company Bulletin may be reviewed to provide guidance on the filing of the rates through SERFF and/or CD ROM.

As a reminder, public disclosure of information on rate modification and justification used to establish such modification is required by federal law.

Scope and Process

Any insurance company, health maintenance organization or health service plan authorized to offer health insurance coverage, as that term is defined in the Illinois Health Insurance Portability and Accountability Act [215 ILCS 97/1 et.seq.], must file all proposed rate increases with the Department prior to its use.

Proposed rate increases will be reviewed by the Department to determine whether such increase is: (i) excessive – unreasonably high in relation to the benefits provided and/or unsupported by substantial evidence or assumptions; (ii) unjustified – incomplete, inadequate or otherwise does not provide a basis upon which the reasonableness of an increase may be determined; or (iii) unfairly discriminatory – differences for a particular product between insureds/members within similar risk categories, which do not reasonably correspond to differences in expected costs.

Illinois' Web Portal

Illinois' web portal is now available to electronically accept required submissions of actuarial memoranda and the justification for new and renewal health rates. Through the web portal, insurers may access and complete both the Rate Data Collection Form and the Rate Filing Actuarial Memorandum and Justification Review Standards Form.

You can go to <https://insurance.illinois.gov/Applications/HealthRateReview/> to submit your rate data and rate filing actuarial memorandum and justification review standards. In order to use the web portal, you must first register your company with the Department. If you did not receive an email concerning the availability of the Department's Web Portal or receive specific instructions containing a verification code required to complete the registration, please submit such a request through DOI.HealthRateReview@illinois.gov.

Once you have registered, an email containing your temporary password will be sent to the provided email address. You may then use your registered email address and temporary password to log into the website to submit your data.

The Department will modify the directions in this bulletin if further guidance from the Department of Health and Human Services renders such modification necessary. Please direct questions regarding the Rate Data Collection Form and the Rate Filing Actuarial Memorandum and Justification Review Standards Form to Mr. Gerald Lucht at DOI.HealthRateReview@illinois.gov.

For technical questions regarding the electronic filing of the Rate Data Collection Form and the Rate Filing Actuarial Memorandum and Justification Review Standards Form, please contact DOI.Webmaster@illinois.gov.