

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF RATE AND FORM)
FILING REQUIREMENTS FOR FULLY) ORDER
INSURED STUDENT HEALTH PLANS)
OFFERED WITHIN NEW JERSEY)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to N.J.S.A. 17B:27A-9, and all powers expressed or implied therein; and

IT APPEARING that pursuant to N.J.S.A. 17B:27A-9 and regulations promulgated thereunder, specifically N.J.A.C. 11:20-6.3, the Department of Banking and Insurance (“Department”) has established informational rate filing requirements for carriers that offer individual health benefits plans; and

IT FURTHER APPEARING that an individual health benefits plan is defined at N.J.S.A. 17B:27A-2 as: a) a health benefits plan for eligible persons and their dependents; or b) a certificate issued to an eligible person which evidences coverage under a policy or contract issued to a trust or association, regardless of the situs of delivery of the policy or contract, if the eligible person pays the premium and is not being covered under the policy or contract pursuant to continuation of benefits provisions applicable under federal or State law. However, in recognition of the unique characteristics and advantages of fully-insured health benefit plans for students enrolled in an institution of higher education (“student health plans” or “SHPs”) the Department has allowed carriers to file SHPs as discretionary group plans rather than requiring them to be issued as individual health benefits plans and the Department has not previously

required carriers offering SHPs to comply with the information rate filing requirements of N.J.S.A. 17B:27A-9 and N.J.A.C. 11:20-6.3; and

IT FURTHER APPEARING that the Centers for Medicare & Medicaid Services (“CMS”) determined that New Jersey is an Effective Rate Review State under federal law; and

IT FURTHER APPEARING that pursuant to 45 Fed. Reg. 12214-15 and 45 C.F.R. § 147.145, CMS has advised that all Effective Rate Review states are expected to review rate filings for SHPs, which are defined by CMS as a type of individual health insurance coverage that is provided pursuant to a written agreement between an institution of higher education and a health insurance issuer, and provided to students enrolled in that institution of higher education and their dependents, and that meets certain criteria set forth therein; and

IT FURTHER APPEARING that pursuant to N.J.S.A. 17B:27A-9 and regulations promulgated thereunder, specifically N.J.A.C. 11:20-6.3, the Department may require the formal submission and review of SHP rates in accordance therewith; and

NOW, THEREFORE IT IS on this 18th day of April 2016 ORDERED that:

1. All insurance companies, health, hospital and medical service corporations, and health maintenance organizations (collectively referred to as “carriers”) offering student health plans in New Jersey to be effective on or after July 1, 2016, shall submit separate rate and policy form filings in SERFF for each student health plan offered, identifying the filings using H22 Student Health Insurance TOI and H22.000 Student Health Insurance sub-TOI;
2. Carriers shall submit the policy form filing(s) at least 90 days prior to the effective date of the policy, or 30 days after the date of this Order, whichever is later, and shall include a certification that the form complies with the Essential Health Benefits set forth in the

benchmark plan selected by New Jersey in accordance with 45 C.F.R. § 156.100; or, the carrier shall submit through SERFF, consistent with paragraph 1 above, a certification that a previously filed form, identified in the certification by its form number and filing date, complies with the Essential Health Benefits set forth in the benchmark plan selected by New Jersey in accordance with 45 C.F.R. § 156.100 (refer to https://downloads.cms.gov/cciio/Final%20List%20of%20BMPs_15_10_21.pdf for state benchmark plans);

3. SHP rate filings shall be submitted at least 90 days before the effective date of the rates or 30 days from the effective date of this Order;
4. New Jersey SHP rate filings must be submitted for all rate changes and shall include Parts I, II and III of the Rate Review Justifications explained at <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/RRJ-Instructions-Manual-20150401-Final.pdf> ;
5. Carriers shall confirm in the actuarial certification submitted with Part III of the Rate Review Justification that the rates for New Jersey do not subsidize the carrier's student health plans in other states, and carriers shall also specify in the actuarial memorandum the following details:
 - a. Rate increase by plan and explanation of variation if it is not the same for all plans;
 - b. Three years of experience and a description of the basis, which may be school specific;
 - c. Explanation of adjustments to base data for unusually high or low volume of large claims;

- d. Show run-out date, and IBNR assumption;
- e. Support for the trend assumptions, including adjustments made for large claims amounts;
- f. Services included in “Other” category;
- g. Adjustments and support for the following factors:
 - 1) Changes in benefits, if any
 - 2) Changes in morbidity, if any
 - 3) Demographics changes, if any
 - 4) Network changes, if any
 - 5) Other changes, if any;
- h. Credibility assigned to experience and credibility methodology used;
- i. Source and development of manual rate if experience is not 100% credible;
- j. A rating example;
- k. Quality improvement expenses;
- l. Explanation of any variation in administrative costs by plan; and
- m. AV screenshots demonstrating compliance with 60% minimum;

IT IS FURTHER ORDERED that all SHP rate filing questions shall be directed to SHPCarrierQs@dobi.nj.gov; and

IT IS FURTHER ORDERED that failure to comply with the terms of this Order shall result in the imposition of penalties as authorized by law.



Richard J. Badolato
Acting Commissioner