Affordable Care Act
Implementation Update
May 22, 2013

*The purpose of this document is to provide insurers doing business in Kentucky with guidance from the Department of Insurance (DOI) for implementing the Affordable Care Act. This Implementation Update is not legally binding on the Department or the reader. The ultimate authority for the interpretation of the Affordable Care Act lies with the Department of Health and Human Services.*

## Frequently Asked Questions #2

1) How will the Department of Insurance define "reasonable assurance" for stand-alone dental plans sold outside of the Exchange?

   *The final federal regulation on essential health benefits includes guidance in the preamble that clarifies an insurer may offer plans outside of the Exchange that exclude pediatric dental benefits if the insurer is "reasonably assured" that the individual has obtained pediatric dental coverage through an Exchange certified stand-alone dental plan. Because the responsibility to determine reasonable assurance rests with the insurer, we will allow insurers to propose to DOI the method they will use to meet the "reasonably assured" requirement.*

   *With regard to the requirement that the stand-alone dental plan be "Exchange certified," the DOI will consider that this requirement is met if: (1) the forms and rates are approved for sale in the Exchange by the DOI and the product has been certified by the Exchange; or (2) if the plan is not intended for sale in the Exchange, the plan includes, at a minimum, the KCHIP pediatric dental benefits.*

2) With regard to essential health benefits, can you please clarify the pediatric vision benefits?

   *Kentucky chose to substitute the benefits in the Kentucky Children's Health Insurance Program (KCHIP) for the pediatric vision benefits in its essential health benefits package. However, it has come to the Department's attention that incorrect information about the KCHIP benefits for frames and lenses was included on the summary of Kentucky's essential health benefit package. To clarify, KCHIP provides a $400 annual limit for frames and lenses. Because there cannot be a dollar limit on an essential health benefit, the DOI would recommend converting this annual limit to provide coverage for one pair of frames and lenses plus one replacement pair of frames and lenses if determined to be medically necessary.*

   *Additionally, the summary of Kentucky's essential health benefits indicates that there is an exclusion for vision training and orthoptics. This exclusion is not included in the KCHIP*

*vision benefits and, therefore, should not be excluded in health benefit plans filed for approval with the Department.*

3) Which templates are required to be included with form filings for off-Exchange products?

   *For off-Exchange products, the Department will require the formulary template to be filed in order to verify the essential health benefit requirements for pharmacy. Additionally, the AV Calculator must be filed with all schedules of benefits. The Department will not require the filing of other templates or the binder for off-Exchange products.*

4) Will insurers be permitted to offer basic health benefit plans after January 1, 2014?

   *Pursuant to KRS 304.17A-096, a basic health benefit plan may exclude state-mandated health insurance benefits, with the exception of coverage for diabetes, hospice, chiropractic benefits, mammograms and federally mandated benefits. Because Kentucky's essential health benefit package currently includes all state mandated benefits, a basic plan cannot be offered for sale on or after January 1, 2014. Grandfathered plans can be renewed.*

5) Will insurers be permitted to offer early renewal of policies that are scheduled to renew on or after January 1, 2014?

   *Insurers are permitted to offer early renewal of policies. However, any offer must:*
   - *Be nondiscriminatory and apply to all policyholders in a market segment; and*
   - *Comply with the provisions in KRS 304.17A-0952, including subsection (3) related to adjustments due to health status.*

6) May amendments to previously approved filings be submitted in order to come into compliance with the Affordable Care Act?

   *The Department is not currently accepting amendments to previous filings. In order for the Department to properly evaluate compliance with the requirements of the Affordable Care Act, all insurers must file complete products for review and approval. Any document that will change or replace an existing approved product must include a redline of the document indicating all revisions.*

7) Will the Department continue to review matrix filings?

   *The Department will continue to allow matrix filings. However, individual provisions/paragraphs will not be accepted as matrix forms. Sections will be accepted as matrix forms, i.e. General Provisions, Definitions, Benefits, Grievances & Appeals, Coordination of Benefits, etc. If filing by matrix, each separate form number along with its corresponding document must be put on a separate line for the Form Schedule Tab in SERFF.*

8) What load may an insurer include in rate filings for assessments?

*Insurers will be permitted to load up to 1% for the purpose of paying the assessment set forth in KRS 304.17B-021 to fund Kentucky Access.*

9) What tobacco use load is permitted in rate filings in Kentucky?

*Kentucky will permit a maximum tobacco load of 1.4:1.*

10) When submitting filings through SERFF, what field should contain the form number?

*Please include the form number in the SERFF form number field, not the form name field. The Department downloads information from SERFF into its in-house database. The form number will only populate into the DOI's database from the SERFF form number field.*

Additional References

SERFF HIX: This is where you can get information on training for submission of the Binder. You will need to scroll down to the bottom of the page and click on link for industry. Health Insurance Exchange Plan Management (HIX)

SERFF: System for Electronic Rate and Form Filing

Kentucky Exchange link: Kentucky Health Benefit Exchange Home

CCIIO: Center for Consumer Information and Insurance Oversight | cciio.cms.gov

HIOS: HIOS Rules of Behavior - Health Insurance Oversight System