

1 Public Protection Cabinet

2 Department of Insurance

3 Divisions of Health and Life Insurance and Managed Care

4 (Amendment)

5 806 KAR 14:007. Rate and form filing for health insurers.

6 RELATES TO: KRS 304.1-010, 304.1-050, 304.3-270, 304.4-010, 304.14-120, 304.14-190,
7 304.17-380, 304.17A-005, 304.17A-095, 304.17A-096, 304.17C-010(5)

8 STATUTORY AUTHORITY: KRS 304.2-110(1)

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the
10 Commissioner [~~Executive Director~~] of Insurance to promulgate reasonable administrative
11 regulations necessary for or as an aid to the effectuation of the Kentucky Insurance Code, as
12 defined by[~~in~~] KRS 304.1-010.[~~EO 2008-507, effective June 16, 2008, established the~~
13 ~~Department of Insurance and the Commissioner of Insurance as head of the department.~~]This
14 administrative regulation establishes rate and form filing procedures for health insurers.

15 Section 1. Definitions. . As used in this administrative regulation:

16 (1) [~~"Basic health benefit plan" is defined in KRS 304.17A-005(4).]~~

17 ~~(2)~~ "Commissioner" means the Commissioner of Insurance as defined by KRS 304.1-
18 050(1).

19 (2) [~~(3)~~] "Department" means Department of Insurance as defined by KRS 304.1-050(2).

1 (3) [(4)] "Filing entity" means a health insurer authorized to transact business in
2 Kentucky or an entity authorized by that health insurer to submit filings on its behalf.

3 (4) [(5)] "Health benefit plan" is defined in KRS 304.17A-005(22).

4 (5) [(6)] "Health policy form" or "form" means application, policy, certificate, contract,
5 rider, endorsement, and for long-term care, short term nursing and Medicare Supplement
6 products, includes advertising [~~-, provider agreement, or risk sharing arrangement~~].

7 (6) Limited health service benefit plan is defined by KRS 304.17C-010(5).

8 Section 2. Filing Procedures. (1) A health insurance rate and form filing shall be
9 accompanied by a Face Sheet and Verification Form, HIPMC-F1.

10 ~~[(2) A health policy form filed under policy form certification shall be accompanied by a~~
11 ~~Health Policy Forms Filing Certification Privilege Program Form, HIPMC-F2.]~~

12 (2) [(3)] An individual health insurance rate [~~form~~] filing shall be accompanied by an
13 Individual Health Forms Actuarial Certification Form, HIPMC-R4.

14 (3) [(4)] An insurer issuing, delivering, or renewing a [(a)] health [~~Health~~] benefit plan or
15 a limited health service benefit plan shall complete and attach to each plan filed a Health [~~Benefit~~
16 ~~Plan~~] Summary Sheet - Form Filings Form, HIPMC-F11 [~~HIPMC-F35~~];

17 ~~[(b) Basic health benefit plan shall complete and attach to each plan filed a Basic Health~~
18 ~~Benefit Plan Summary Sheet - Form and Rate Filings Form, HIPMC-RF-25; and.]~~

19 ~~[(c) Limited health service benefit plan shall complete and attach to each plan filed a~~
20 ~~Limited Health Service Benefit Plan Summary Sheet - Form Filings, HIPMC-F37 pursuant to~~
21 ~~806 KAR 17:440.-]~~

1 (4) [(5)] Except for a health benefit plan rate filing pursuant to KRS 304.17A-095, a rate
2 filing shall be accompanied by a Rate Filing Information Form, HIPMC-R36.

3 (5) [(6)] If a rate or form filing [as] submitted by a health insurer does not contain the
4 information necessary to review the filing [~~is not a complete filing~~], the department shall use an
5 Additional Health Information Request, Form HIPMC-F16, to request submittal of the
6 incomplete information.

7 (6) [(7)] (a) Each form shall be identified by a unique form number in the lower left-hand
8 corner of the first page of the form; and

9 (b) Other numbers shall not appear in close proximity to the form number.

10 (7) [(8)] Each submission shall be accompanied by a submittal letter [~~on the stationery of~~
11 ~~the filing entity which intends to use a form,~~] listing all forms by number, ~~all forms~~ being
12 submitted together with a brief description of each.

13 (8) [(9)] If a form is submitted with alternate pages or alternative benefits, the submittal
14 letter required by subsection (7) [(8)] of this section shall:

15 (a) State under what conditions each alternate page or alternative benefit may be used;
16 and

17 (b) Identify by a unique form number each alternate page or alternative benefit.

18 (9) [(10)] If a filing entity files a form containing variable text, the filing entity shall file
19 an explanation of each variation the health insurer proposes to use.

20 (10) [(11)] Except for an insert page or alternate page, each form shall contain the
21 corporate name and address of the health insurer.

1 (11) [(12)] A form filed for approval by the department shall not contain advertising or
2 marketing material.

3 (12) [(13)] If a new form is submitted, the filing entity shall identify the unique features
4 of the form.

5 (13) [(14)] If a filing includes a form which was previously disapproved by the
6 department, the filing entity shall assign the form a new form number.

7 [(15) A rate or form filing shall include two (2) complete sets of documents and a self-
8 addressed stamped envelope.]

9 Section 3. Filing Entity. A filing entity may include in a filing multiple forms or
10 documents pertaining to a single line of insurance, filed together on a particular date.

11 Section 4. Date of Filing. Pursuant to KRS 304.4-010(2), a fee payable under the
12 Kentucky insurance code shall be collected in advance. The period of time in which the
13 commissioner may approve or disapprove a filing shall not commence, and the submission shall
14 not be given a filing date, until the following are received by the department:

- 15 (1) The rate or form filing;
- 16 (2) The appropriate fee pursuant to 806 KAR 4:010[~~, Section 1(21)~~]; and
- 17 (3) A form required by Sections 2 and 6 of this administrative regulation, as appropriate.

18 Section 5. Use of Forms and Rates. (1) A form or rate shall not be used in Kentucky until:

19 (a) The form or rate has been approved [~~or certified~~] by the department, which shall occur
20 within the sixty (60) day time frame identified in KRS 304.14-120(2) except as follows:

21 1. If the 60th day falls on a weekend or holiday, the 60th day shall be the following
22 business day; and

1 2. If the commissioner grants an extension of the sixty (60) day time period required for
2 approval or disapproval of a form or rate, and the insurer does not submit a corrected form or
3 rate or additional requested information at least five (5) days prior to the expiration of the
4 extended time period, the filing shall be disapproved; and

5 (b) If a rate for the form is required by KRS 304.14-120 to be approved, the appropriate
6 rate schedule has been approved.

7 (2) A document subject to a filed only process, including advertisements and provider
8 directories, [~~provider agreements, subcontract provider agreements, or risk sharing arrangements~~]
9 shall be:

10 (a) Filed with the department; and

11 (b) Subject to review in accordance with KRS 304.14-120.

12 Section 6. Form Revision. If a filing includes a form which amends, replaces, or
13 supplements a form^[5] which has been previously filed [~~and not disapproved~~], it shall be
14 accompanied by a letter of explanation from the filing entity which identifies:

15 (1) All changes contained in the newly filed form;

16 (2) The form being replaced;

17 (3) The date the replaced form was:

18 (a) Approved;

19 (b) Disapproved;

20 (c) [~~(b)~~] Withdrawn; or

21 (d) [~~(e)~~] Submitted; and

22 (4) The effect the changes have upon the policy or the rates applicable to the policy.

1 Section 7. Rate Revision and Annual Rate Filings. (1) The following shall be included
2 and properly completed in a filing for rate revision or annual rate filing:

3 (a) Signed actuarial memorandum, in accordance with 806 KAR 17:070, Sections 3 and
4 4;

5 (b) New rate sheet, in accordance with 806 KAR 17:070, Section 3; and

6 (c) Forms required by Section 2 of this administrative regulation.

7 (2) An appropriate fee pursuant to 806 KAR 4:010, [~~Section 4(21)~~], shall be submitted
8 with each filing.

9 Section 8. Officer Signature. A change of signature of the executing officer on a policy
10 form shall not, because of this change alone, require a new filing.

11 Section 9. Electronic Filings. (1) A health insurer may file a rate or form electronically
12 through the National Association of Insurance Commissioners' electronic system for rate and
13 form filings via the Web site www.serff.com.

14 (2) An electronic filing as identified in subsection (1) of this section shall be in lieu of a
15 paper filing.

16 Section 10. Incorporation by Reference. (1) The following material is incorporated by
17 reference:

18 (a) Form HIPMC-F1, "Face Sheet and Verification Form", 07/2020 [~~07/2008~~] edition;

19 (b) Form HIPMC-F11, Health Rate Summary Sheet – Form Filings, 07/2020 edition;

20 [~~Form HIPMC-F2, "Health Policy Forms Filing Certification Privilege Program Form", 07/2008~~
21 ~~edition;~~]

1 (c) Form HIPMC-R4, "Individual Health Forms Actuarial Certification Form", 07/2008
2 edition;

3 ~~[(d) Form HIPMC-F35, "Health Benefit Plan Summary Sheet Form Filings", 07/2008~~
4 ~~edition;]~~

5 (d) [(e)] Form HIPMC-R36, "Rate Filing Information Form", 07/2020 ~~[07/2008]~~ edition;
6 and

7 (e) [(f)] Form HIPMC-F-16, "Additional Health Information Request", 07/2008 edition;

8 ~~[(g) Form HIPMC-RF-25, "Basic Health Benefit Plan Summary Sheet Form and Rate~~
9 ~~Filings", 07/2008 edition; and-]~~

10 ~~[(h) Limited Health Service Benefit Plan Summary Sheet Form Filings, HIPMC-F37,~~
11 ~~07/2008 edition.-]~~

12 (2) This material may be inspected, copied or obtained, subject to applicable copyright
13 law, at the Department of Insurance, Mayo-Underwood Building, 500 Mero Street ~~[215 West~~
14 ~~Main Street]~~, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This
15 material is also available on the department's Web site at: <http://insurance.ky.gov>.

806 KAR 14:007

READ AND APPROVED:

Sharon P. Clark
Commissioner, Department of Insurance

Date

Kerry B. Harvey
Secretary, Public Protection Cabinet

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held at 9:00 AM on March 22nd, 2021 at 500 Mero Street, Frankfort, KY 40602. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 PM on March 31st, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

Contact Person: Abigail Gall
Title: Executive Administrative Secretary
Address: 500 Mero Street, Frankfort, KY 40601
Phone: +1 (502) 564-6026
Fax: +1 (502) 564-1453
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REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 14:007

Contact Person: Abigail Gall

Phone: +1 (502) 564-6026

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes rate and form filing procedures for health insurers so the executive director will have relevant information to approve or disapprove a filing.

(b) The necessity of this administrative regulation: KRS 304.14-120 requires all policy forms to be delivered or issued in Kentucky to be filed with and approved by the executive director before being issued or delivered. KRS 304.14-130 requires the executive director to determine whether the benefits in the policy are reasonably related to the premium charged. This administrative regulation is necessary to establish the procedures for insurers to file forms and rates with the executive director in accordance with the law.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the executive director to promulgate reasonable administrative rules and administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, KRS 304.1-010 through 304.99-152. This administrative regulation establishes rate and form filing procedures for health insurers.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist the executive director in the proper review of form and rate filings in accordance with the law.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendments to this administrative regulation are to meet Chapter 13A drafting requirements, and to require health rate a form filings to be accompanied by a Face Sheet and a verification HIPMC-F1. This requirement would be relevant to entities filing rates and forms concerning a health benefit plan, as well as limited health benefit plans.

(b) The necessity of the amendment to this administrative regulation: The amendments to this administrative regulation are necessary to meet uniform drafting rules as well as update the process of health filings. There are amendments to exclude certain filing forms as they are no longer necessary in the process established in this administrative regulation.

- (c) How the amendment conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the Commissioner to promulgate administrative regulations that and these amendments aide in the effectuation of the Insurance Code.
- (d) How the amendment will assist in the effective administration of the statutes: These amendments meet the requirements of Chapter 13A as well as setting the standards for health filings.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation affects the 470 licensed insurers writing health insurance in the state of Kentucky.
- (4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: The changes made in this administrative regulation set new requirements for health rate and form filings to be accompanied by a Face Sheet and a verification HIPMC-F1.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: The insurers will be responsible for copying and delivery costs. Because insurers are currently required to file this information, the cost to insurers should not increase significantly, if at all.
- (c) As a result of compliance, what benefits will accrue to the entities: Meeting the proper filing requirements means filings are more likely to be approved and accepted by the Commissioner.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation: No cost is expected.
- (a) Initially: Implementation of this amendment is not anticipated to have an initial cost on the Department of Insurance.
- (b) On a continuing basis: Implementation of this amendment is not anticipated to have an on-going cost on the Department of Insurance.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department will use funds from its current operational budget to perform the tasks necessary.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: An increase of fees will not be necessary because additional personnel is likely unnecessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish any fees.

(9) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied because this administrative regulation applies to all insurers.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation: 806 KAR 14:007

Contact Person: Abigail Gall

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(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department as the implementer.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 304.2-110(1)

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation is revenue neutral.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation is revenue neutral.

(c) How much will it cost to administer this program for the first year? There is no associated cost with this administrative regulation.

(d) How much will it cost to administer this program for subsequent years? There is no associated cost with this administrative regulation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(4) Revenues (+/-): Neutral

(5) Expenditures (+/-): Neutral

(6) Other Explanation:

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

806 KAR 14:007

(1) HIPMC-F1, "Face Sheet and Verification Form," 07/20 Edition. This form is to accompany all health insurance rate and form filings.

(2) Form HIPMC-F11, "Health Rate Summary Sheet" – Form Filings, 07/2020 edition. This form is to accompany any health benefit plan or limited health service benefit plan to summarize the health benefits. The HIPMC 35 and the HIPMC F37 were repealed and collapsed into a new form HIPMC F11, to update for new filing types such as grandfathered, grandmothers and Exchange products.

(3) HIPMC-R4, "Individual Health Forms Actuarial Certification Form," 07/20 Edition. This form is to accompany all Individual Health Form filings to verify that the filing is in compliance with the statutes and regulations of Kentucky.

(4) HIPMC-R36, "Rate Filing Information Form," 07/20 Edition. This form is to accompany all health insurance rate filings.

(5) HIPMC-F-16, "Additional Health Information Request," 07/20 Edition. This form is used by the Department of Insurance to notify a health insurance company of information that has not been filed but is required before the Department can approve or disapprove a rate or form filing.

SUMMARY OF CHANGES TO MATERIAL INCORPORATED BY REFERENCE

806 KAR 14:007

(1) HIPMC-F1, "Face Sheet and Verification Form," 07/20 Edition. The amendments to this form change the title of the document, the requirement to file the accompanying documents HIPMC-F2 and signed HIPMC-R4, the amendment option as well as the reference filing information. The filing fee for previously approved filings was removed from the form, an additional note regarding adoption of additional forms as well as an edition date change. The department will also now accepted electronic signatures on this form. Certification was removed due to the Department is no longer accepting forms for certification. There was an addition for additional types of forms and rate filings. Amendments was removed to conform with federal law (ACA). Reference filing was removed as an option.

(2) Form HIPMC-F11, "Health Rate Summary Sheet" – Form Filings, 07/2020 edition. This is a new form and consolidates the information from the HIPMC 35 and the HIPMC F37.

(3) HIPMC-R4, "Individual Health Forms Actuarial Certification Form," 07/20 Edition. The actuarial standards was added to the actuarial certification.

(4) HIPMC-R36, "Rate Filing Information Form," 07/20 Edition. The amendments to this form change the title of the document, remove old policy type language while adding Short Term Limited Duration and Medicare Supplement Modernized policy types, more defined check boxes throughout all sections, and a new edition date. This form was amended to add plan types and reformat.

(5) HIPMC-F-16, "Additional Health Information Request," 07/20 Edition. This form is used by the Department of Insurance to notify a health insurance company of information that

has not been filed but is required before the Department can approve or disapprove a rate or form filing. This form was amended to compile a more complete listing of required elements as referenced in the regulation in order to begin the review.