



ANDREW M. CUOMO
Governor

Department of Civil Service

JERRY BOONE
Commissioner

August 1, 20XX

Mr. John Doe
CEO
ABC HMO
123 Main Street
Any Town, NY 11111

Regarding: NYSHIP Plan XXX

Dear Mr. Doe:

This letter is official notification that the January 1, 20YY premium rate change request for Health Maintenance Organizations participating in the New York State Health Insurance Program (NYSHIP) must be received by the Department of Civil Service (Department) no later than September 1, 20XX so that we may promulgate the rates in advance of the NYSHIP's November 20XX Option Transfer Period. The NYSHIP policies regarding the premium rate basis, rate structure, and required documentation are as follows:

Premium Rate Basis

The basis for premiums shall be the New York State Department of Financial Services (NYSDFS) filed and ultimately approved community rates or guaranteed rates under Title 11 NYCRR Section 52.42(b). The premium rates shall be the filed and approved premium rates, or the contractor's best estimate of the expected filed and approved premium rates for the following year (this would include rates filed and pending review) adjusted by any prospective or retrospective adjustments required for guaranteed premium rates under Title 11 NYCRR Section 52.42(b). The contractor shall provide, along with the rate submission to the Department, an explanation of the basis for the premium rate that has been quoted. A contractor, who covers NYSHIP enrollees in both New York State service areas and non-New York service areas, is required to charge NYSHIP the NYS community rate or rates guaranteed under Title 11 NYCRR 52.42(b) for both In-State and Out-of-State NYSHIP enrollees.

In the event that the premium rates, in effect for NYSHIP during the 20YY Plan Year, are different from the rates filed/approved by the NYSDFS or appropriate regulatory and/or oversight agency in the contractor's jurisdiction, the Department shall adjust the NYSHIP premium paid the contractor to reflect such revision. Such adjustment shall be calculated by the Department to capture excess NYSHIP premium paid by the Department to the contractor if the premium rate paid exceeds the approved premium rate, or the Department shall distribute additional NYSHIP premium due the contractor if the premium rate paid is less than the approved premium rate. The Department may make such adjustment through subsequent year premium rates paid to the contractor, or at its option, adjust the premium rate paid to the contractor during 20YY.

Required Rate Structure

A portion of the NYSHIP enrolled population does not receive prescription drug benefits through NYSHIP. Accordingly, you must submit two premium rate structures; one which includes the cost of the HMO prescription drug benefit and one which excludes such cost.

Attached is a summary of the accepted benefit package. That summary lists the standard benefit contract and each of the riders accepted by the Joint Labor Management Committee (JLMC) along with identifying numbers found on the face of these documents. Please list the cost of each of the applicable riders separately.

Required Documentation

To support the basis of the requested 20YY rates, the following documentation is required:

(1) For Department of Financial Services Rates Filed and Approved

Submit a complete copy (pdf format) of the NYSDFS “Prior Approval Rate Change” application, required under Section 4308C of NYS Insurance Law, along with a printout of the National Association of Insurance Commissioners System for Electronic Rate and Form Filing (SERFF) disposition notice (i.e., electronic notice) indicating NYSDFS approval of the rates submitted. Note: The rates that you intend to be applicable for NYSHIP in 20YY may actually be current rates that have been approved by the NYSDFS for periods prior to 1/1/20YY (example, current rates that have been approved and were effective as of 4/1/20XX, 7/1/20XX or 10/1/20XX). If so, then please identify the rating period and provide all of the above specified documentation relevant to those specific rates.

(2) For Center of Medicare & Medicaid Services (CMS) Filed Rates

Submit a copy of the bid status report provided by the CMS Health Plan Management System (HPMS) documenting that the rates were successfully processed by CMS or a statement attesting that the rates were developed under CMS guidelines and submitted in accordance with CMS regulations.

(3) For Rates Filed and Pending Approval by the Department of Financial Services

For rate requests pending the NYSDFS approval, submit a copy of the SERFF application notice indicating submission of the “Prior Approval Rate Change” application.

(4) For Rates Not Yet Submitted

A representation letter signed by the Chief Executive Officer which states the following:

- The HMO has not yet submitted a request for a rate increase/decrease to the NYSDFS. The HMO intends to file a “Prior Approval Rate Change” application and that the rate change is intended to be effective as of 1/1/20YY.
- The 1/1/20YY rates submitted to the Department are the best estimate of the rates which will be submitted to the NYSDFS.
- The quoted rates are based on the benefits as approved by the JLMC.

Upon final disposition and approval by NYSDFS of the “Prior Approval Rate Change” application, provide the complete “Prior Approval Rate Change” application along with a printout of the NYSDFS SERFF disposition notice (i.e., electronic notice) indicating approval of the rates submitted.

You must complete Schedules I-III and Schedules I-PPA–III-PPA (attached). Schedules III and III-PPA have been updated with the current enrollment and Medicare contract counts. In those instances where there is no current enrollment count, a “1” has been added. These figures must be used in preparing the Medicare adjustment schedule (Schedule III) and (Schedule III-PPA) if applicable.

Please note that we may not yet have received all of the documentation required relative to the 20XX Filed and Approved NYSDFS and 20XX CMS Filed Rates. Please ensure that we receive this documentation from you; the 20XX required rate documentation is equivalent to the corresponding 20YY rate documentation as described in the enumerated paragraphs (1) and (2) on page 2 of this letter. Completion and submission of Schedules I-PPA-III-PPA along with all 20XX rate documentation may precede the entire 20YY rate submission due September 1, 20XX. We will attempt to review and finalize the PPA schedules prior to the rate submission due date. But please note that the PPA schedules – whether already reviewed by and agreed to by the Department or not – are required to be included as part of the entire 20YY rate submission.

As stated in the Health Maintenance Organization Agreement between New York State Department of Civil Service and ABC HMO (NYSHIP Plan XXX), the 20YY premium rate submission is required to be accompanied by the contractor’s most recent available current year to date loss ratio for the community pool in which the State enrollees are included.

If your Health Maintenance Organization is requesting a January 1, 20YY rate change, the required documentation as outlined in this letter must be **e-mailed to Paul McKinney at Paul.McKinney@cs.ny.gov** and received by the Department no later than September 1, 20XX. These e-mailed documents should be in respective Word, Excel and PDF format whenever possible. Those HMOs not requesting a January 1, 20YY rate change must also confirm this via e-mail by September 1, 20XX.

Any questions concerning these policies or other financial issues relating to NYSHIP should be directed to Paul McKinney at (518) 402-4739 or Paul.McKinney@cs.ny.gov.

Sincerely,

Ron Kuiken
Assistant Director
Financial Services

Attachments

cc: