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LEGISLATIVE ACTION

Senate

House

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Floor: 2/F/2R

04/24/2013 11:08 AM

Senator Soto moved the following:

Senate Amendment

Delete lines 650 - 705
and insert:

(a) For each individual and small group nongrandfathered health plan, an insurer or health maintenance organization shall include a notice of the estimated impact of PPACA on monthly premiums with the delivery of the policy or contract or, upon renewal, the premium renewal notice, unless the insurer or health maintenance organization indicates that such impacts are indeterminate. The notice must be in a format established by rule of the commission. All notices shall be submitted to the office for informational purposes by September 1, 2013. The



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14 notice is required only for the first issuance or renewal of the
15 policy or contract on or after January 1, 2014.

16 (b) The information provided in the notice must be prepared
17 by an actuary and use only the information contained in the rate
18 filing required under paragraph (6) (a) or as otherwise required
19 under PPACA, and must be based on the statewide average premium
20 for the policy or contract for the bronze, silver, gold, or
21 platinum level plan, whichever is applicable to the policy or
22 contract, and provide an estimate of the following effects of
23 PPACA requirements:

24 1. The dollar amount of the premium which is solely
25 attributable to the impact of guaranteed issuance of coverage.
26 This estimate must include itemized subestimates of the impact
27 of the requirement that rates be based on factors unrelated to
28 health status, how the individual coverage mandate and subsidies
29 provided in the health insurance exchange established in this
30 state pursuant to PPACA affect the impact of guaranteed issuance
31 of coverage, and estimated reinsurance credits.

32 2. The dollar amount of the premium which is solely
33 attributable to fees, taxes, and assessments.

34 3. For individual policies or contracts, the dollar amount
35 of the premium increase or decrease from the premium that would
36 otherwise have been due which is attributable to the combined
37 impact of the requirement that rates for age be limited to a 3-
38 to-1 ratio and the prohibition against using gender as a rating
39 factor. This estimate must be displayed for the average rates
40 for male and female insureds, respectively, for the following
41 three age categories: age 21 years to 29 years, age 30 years to
42 54 years, and age 55 years to 64 years.



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43 4. The dollar amount that is solely attributable to the
44 requirement that essential health benefits be provided and to
45 meet the required actuarial value for the product, as compared
46 to the statewide average premium for, and actuarial value of,
47 the policy or contract for the plan issued by that insurer or
48 organization that has the highest enrollment in the individual
49 or small group market on July 1, 2013, whichever is applicable.
50 The statewide average premiums and actuarial value of the plan
51 that has the highest enrollment must include all policyholders,
52 including those that have health conditions that increase the
53 standard premium. The notice must also itemize the primary
54 differences between the plans being compared with respect to
55 covered benefits, including limitations and exclusions, and
56 cost-sharing requirements.

57 5. For policyholder groups of various household sizes and
58 income levels as specified in rule, the dollar amount of the
59 portion of the statewide average premium that would be paid on
60 behalf of a policyholder who qualifies for premium tax credits
61 under PPACA and who purchases a comparable bronze, silver, gold,
62 or platinum level plan.

63 6. For policyholder groups of various household sizes and
64 income levels as specified in rule, the maximum dollar amount of
65 out-of-pocket costs paid on behalf of a policyholder who
66 qualifies for cost-sharing reductions under PPACA and who
67 purchases a comparable bronze, silver, gold, or platinum level
68 plan.

69 7. For each of the 3 most recent plan years for which
70 information is available, the ratio of the weighted sum of the
71 dollar amounts provided pursuant to subparagraphs 1.-4. to the



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72 weighted average of the annualized dollar amounts of all
73 approved rate increases, taken across all of the insurer's or
74 health maintenance organization's applicable policy forms in the
75 applicable markets.

76 (c) The office, in consultation with the department, shall
77 develop a summary of the estimated impact of PPACA on monthly
78 premiums as contained in the notices submitted by insurers and
79 health maintenance organizations, which must be available on the
80 respective websites of the office and department by October 1,
81 2013.

82 (d) By January 1, 2015, each insurer or health maintenance
83 organization providing the notice described in paragraph (a) for
84 one or more nongrandfathered plans shall provide the office with
85 a report, certified by an actuary, which compares the estimates
86 previously provided for each plan under paragraph (b) with the
87 actual amounts corresponding to such estimates.

88 (e) This subsection is repealed on March 1, 2015.