DRAFT North Carolina Data Submission Template
Carrier Overview

Overview

Carriers will be required to complete and submit a North Carolina Data Submission Template (Template) for all non-grandfathered individual and small group filings with effective dates of January 1, 2014 and later. The Template will capture information related to current and proposed rating factors, projected rate increase levels, historical and projected experience, and the development of the index rate (optional), as well as general company information.

The Template was designed with the North Carolina Department of Insurance's (NCDOI's) long-term requirements for data collection and submission in mind. However, in the short term, a number of elements included in the Template will be optional, or not required. These items are noted in the discussion that follows and are identified as pink cells in the Template. Detailed instruction for the completion of the Template will be provided to carriers in the near future.

The Template consists of the following worksheets:

- Worksheet 1 – General Information
- Worksheet 2 – Rate & Enrollment Distribution
- Worksheet 3 – Admin and Profit
- Worksheet 4 – Area Specific Experience
- Worksheet 5 – Premium & Enrollment
- Worksheet 6 – North Carolina Medical Claims Data
- Worksheet 7 – North Carolina Prescription Drug Claims Data
- Worksheet 8 – Other Medical Claims Data (if applicable)
- Worksheet 9 – Other Prescription Drug Claims Data (if applicable)
- Worksheet 10 – Experience Projection (Individual market only)
- Worksheet 11 – Index Rate Development (optional)

For purposes of completing the template:

- Allowed Claims are claims after the removal of any duplicates and claims for non-covered services, and after application of provider discounts, but prior to reduction for any member cost sharing.

- Paid Claims are claims after removal of any duplicates and claims for non-covered services, after application of provider discounts, and after reduction for any member or HHS (as applicable) cost sharing.

The required information should include data for all policies underlying the single risk pool included in the filing, including data for terminated plans.

Worksheet 1 – General Information

This worksheet captures general information about the carrier, summary rate increase metrics, contact/reference information, information related to the index rate and market level adjustments to the index rate, estimated MLR rebates for the most recently completed prior calendar year, and the current and proposed rating factors. The worksheet captures the following information in seven sections:

Section I: Carrier and Market identification (Name, HIOS Issuer ID, NAIC Number), effective dates, and average increases.

Section II: Carrier contact information and identification of prior rate filings.

Section III: Time period and data source (North Carolina or Other) for the experience period data used for pricing.

Section IV: The proposed index rate for the projection period, and market level adjustments applied to arrive at the adjusted index rate, as well as the anticipated loss ratio in the projection period.

- The Proposed Index Rate (if Not Using Default Development) is not required to be populated if Worksheet 11 – Index Rate Development is completed.

Section V: MLR rebates for the most recently completed calendar year (may be estimates).

Section VI: The current index rate, and market level adjustments that were applied to arrive at the adjusted index rate, as well as the loss ratio underlying the current rate; current and projection period rating factors for geography and tobacco use.

Section VII: Component factors of the plan level adjustments (actuarial value/cost sharing, network and management, Non-EHB coverage, catastrophic adjustment, and administrative costs excluding exchange fees) at the plan level for both the current rate and the projection period, along with other information for the plan such as metal level, wellness indicator and whether the plan will be sold on the Exchange.

- The current rating factors in Sections VI and VII (in pink) are not required to be populated until the current rating period begins to contain experience for 2014.

Worksheet 2 – Rate & Enrollment Distribution

This worksheet collects information on the assumed pricing trends, distribution of proposed rate changes, and historical and projected rates and enrollment by rating characteristics. The worksheet captures the following information in five sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Medical/drug/total assumed trends for the first quarter, and quarterly pricing trend increases for the next three quarters (small group only).

- If automatic quarterly increases will not be applied to the proposed rates, these values may be input as 0.0%.

Section III: Current number of policies, contracts, and members, and a distribution of members by level of rate change, and the average expected rate change within each rate change range.

Section IV: Current members, average number of members during the experience period, and average current rate reported separately by product, plan, rating area, age, tobacco status, and quarterly renewal cohort.

- The historical Plan, Rating Area, and Tobacco columns (in pink) in Section IV are not required until the current rating period begins to contain experience for 2014.
- If a carrier does not currently use member rating (e.g. utilizes composite rating) and therefore does not currently develop rates for each member age, the "Rate" column should be completed with averages by plan or product. The instructions will describe how carriers should calculate these averages.

Section V: Projected members and average projected rate reported separately by product, plan, rating area, age, tobacco status, and quarterly renewal cohort.

Worksheet 3 – Admin and Profit

This worksheet captures historical information on administrative expenses (split by various administrative categories), investment income, and risk/profit/contribution to surplus. Data should be included for the policies included in the filing for each of the three prior years. The worksheet allows for separate reporting for different time periods and can be input on a quarterly basis, but should not be aggregate beyond an annual basis. The worksheet captures the following information in two sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Calendar year, administrative expenses (general administration, sales and marketing, commissions and broker fees, premium taxes, other taxes, licenses and fees, quality improvement and fraud detection, other expenses), investment income credit, risk margin, and profit/contribution to surplus.

Worksheet 4 – Area Specific Experience

This worksheet collects historical experience including, membership, premium, claims, risk scores, risk transfer payments, reinsurance revenue, and federal subsidies to members. Data

should be included for the policies included in the filing for each of the three prior years. The worksheet allows for separate reporting by product, plan, time periods (each calendar year should be reported separately), exchange/subsidy status, and geographic region. The worksheet collects the following information in two sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Member months, contract months, policy months, earned premium, incurred claims, risk score, risk transfer payments, reinsurance revenue, federal premium subsidies, and federal cost sharing subsidies reported by product, plan, time period, exchange indicator (on/off exchange; premium subsidized/non-subsidized), and geographic region.

- The Plan ID and Exchange Indicator dimensions, along with Risk Scores, Risk Transfer Payments, Reinsurance Revenue, Federal Premium Subsidies, and Federal CS Subsidies (in pink) will not be required until the experience period begins to contain experience for 2014.

Worksheet 5 – Premium & Enrollment

This worksheet captures historical membership and premium information on a monthly basis, reported separately by product and plan. The worksheet captures the following information in two sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Members, contracts, policies, earned premium, state non-EHB premium and issuer non-EHB premiums reported by product, plan, and month.

- The Plan ID, Non-EHB Prem (State), and Non-EHB Prem (Carrier) (in pink) dimensions will not be required until the reporting period begins to include experience for 2014.

Worksheet 6 – North Carolina Medical Claims Data

This worksheet collects North Carolina-specific historical medical claims cost and utilization information, cost sharing, and average rating factor information for the prior three years, separated by product, plan, and month. The worksheet collects the following information in four sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Starting and ending payment dates for claims reported in Section IV.

Section III: Utilization type (e.g., visits, admits, etc.) by major service category.

- Utilization reporting split by service category will not be required for 2014 rate filings. If the carrier chooses to report all utilization experience in total in Section IV for the first year, completion of this section is not required.

Section IV: Utilization, allowed claims, and paid claims experience by service category, along with cost sharing, HHS' portion of cost sharing, and average factors based on current rating factors (geographic region, age, tobacco, risk score, and network), separated by product, plan, and month.

- The Plan ID dimension will not be required until the reporting period begins to include experience for 2014.

- Utilization, allowed claims, and paid claims will not be immediately required to be split by service category. If the carrier chooses, total utilization, total allowed claims, and total paid claims may be input into the Other Medical column.

Worksheet 7 – North Carolina Prescription Drug Claims Data
This worksheet collects North Carolina-specific historical drug cost and utilization information, pharmacy rebates, and rating factor information for the prior three years, separated by product, plan, and month. The worksheet collects the following information in three sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Starting and ending payment dates for claims reported in Section IV.

Section III: Scripts, allowed claims, and paid claims experience, by type of drug (brand/generic/specialty); pharmacy rebates and average factors (geographic region, age, tobacco, risk score), separated by product, plan, and month.

- Plan ID will not be required until the reporting period begins to include experience for 2014.

Worksheet 8 – Other Medical Claims Data (if applicable)
This worksheet collects historical medical claims, cost sharing, and rating factor information for the prior three years, separated by month, which was used in the development of the carrier's trend assumptions.

- If the carrier used the North Carolina experience of the single risk pool included in the filing (i.e., the same experience as that shown in Worksheet 6) for their medical trend assumption development, completion of this worksheet is not required.

The worksheet collects the following information in four sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Starting and ending payment dates for claims reported in Section IV.

Section III: Utilization type (e.g., visits, admits, etc.) by major service category.

- Utilization reporting split by services category will not be required for 2014 rate filings. If the carrier chooses to report all utilization experience in total in Section IV for the first year, completion of this section is not required.

Section IV: Utilization, allowed claims, and paid claims experience, separated by service category, cost sharing, HHS' portion of cost sharing, and average factors (geographic region, age, tobacco, risk score, and network), are all collected by month.

- Utilization, allowed claims, and paid claims will not be immediately required to be split by service category. If the carrier chooses, total utilization, total allowed claims, and total paid claims may be input into the Other Medical column.

Worksheet 9 – Other Prescription Drug Claims Data (if applicable)
This worksheet collects historical drug claims, pharmacy rebates, and rating factor information for the prior three years, separated by month, that was used in the development of the carrier's trend assumptions.

- If the carrier used the North Carolina experience of the single risk pool included in the filing (i.e., the same experience as that shown in Worksheet 7) for their drug trend assumption development, completion of this worksheet is not required.

The worksheet collects the following information in three sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Starting and ending payment dates for claims reported in Section IV.

Section III: Scripts, allowed claims, and paid claims experience, by type of drug (brand/generic/specialty); pharmacy rebates and average factors (geographic region, age, tobacco, risk score), are all collected by month.

- Plan ID will not be required until the reporting period begins to include experience for 2014.

Worksheet 10 – Experience Projection
This worksheet captures historical and projected experience, primarily to demonstrate the lifetime, future, and pricing period loss ratios. The worksheet is only required for Individual market submissions. The worksheet collects the following information in two sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Historical and projected member months, incurred claims, and earned premium are captured by month, as well as an indicator to identify whether the experience is actual or projected.

Worksheet 11 – Index Rate Development (optional)
This entire worksheet is optional and, as such, all input cells have been highlighted in pink. The intent of this worksheet is to provide a template for carriers to demonstrate the development of their index rate. Federal regulations do not prescribe the exact formula that must be used in the development of the index rate; therefore, NCDOI recognizes that other methods may be used in the development of the index rate as long as they meet all regulatory requirements. However, if the method utilized in this worksheet is applicable to the carrier's index rate development methodology, this template may be completed by the carrier to facilitate NCDOI review and potentially reduce the number of follow-up questions NCDOI requests of the carrier. Note, if this worksheet is not completed, the carrier will still be required to provide similar detailed documentation of the development of their index rate.

The worksheet captures the following information in six sections:

Section I: Carrier and market identification, effective dates, and average increases.

- No input is required. The values pull directly from Worksheet 1.

Section II: Membership and earned premium for the experience period.

- No input is required. This worksheet is optional.

Section III: Base period utilization per 1,000, average cost per service/script, paid claims PMPM, of the single risk pool. The net impact of pooling and net private reinsurance are separately reported by service category.

- No input is required. This worksheet is optional.

Section IV: Projection factors by service category, including those for utilization per 1,000, benefit plan, demographic, morbidity, provider payment/discount, cost per

service/script, and other changes, to project experience period claims to the projection period, as well as any additive adjustments.

- No input is required. This worksheet is optional.

Section V: Manual rate utilization per 1,000 and average cost per service/script for the projection period, as well as credibility weight, reported separately by service category.

- No input is required. This worksheet is optional.
- The manual rate need only be populated if the credibility weight is less than 100%.

Section VI: Index rate calculation, index rate adjustments (risk adjustment, federal reinsurance, exchange user fees), and member cost sharing. Retention loads including administrative expenses, profit and risk, and taxes and fees.

- No input is required. This worksheet is optional.