



April 19, 2011

By Email and Regular Mail

Angela Burke Boston
Assistant Commissioner
Iowa Insurance Division
330 Maple Street
Des Moines, IA 50319-0065

Re: Iowa's Request for Adjustment to Medical Loss Ratio Standard

Dear Assistant Commissioner Boston:

Thank you for the Iowa Insurance Division ("IID") application for an adjustment to the medical loss ratio ("MLR") standard for the Iowa individual market. In order for the IID's application to be complete, please provide the information listed below.

Please note that 45 CFR §158.345(a) provides that the time frame for the Secretary to determine whether to grant Nevada's request for an adjustment to the MLR standard for its individual market begins only when the complete application is received.

1. For each issuer that offers coverage in the Iowa individual market, please provide the number of individual enrollees, premium data by product, and individual health insurance market share within the state, as required by 45 CFR §158.321(d)(1). "By product" requires that the data be delineated based on plan design (*e.g.*, premium rate, deductible, co-insurance, *etc.*).

At this time, the Center for Consumer Information and Insurance Oversight ("CCIIO") will provisionally accept information regarding each issuer's number of enrollees, and amount of premiums earned, in the Iowa individual health insurance market as a whole, rather than by product. We note that issuers report this information in publicly available forms that the State requires they submit to the National Association of Insurance Commissioners ("NAIC"). In addition, market share based on number of enrollees for each issuer in the Iowa individual market can be calculated from information in the NAIC forms.

CCIIO reserves the right, however, to request information regarding each issuer's premium and number of enrollees by product, as required by 45 CFR § 158.321(d)(1), if CCIIO determines that such information is material.

2. For each issuer that provides coverage in the Iowa individual market to more than 1,000 enrollees, please provide, as required by 45 CFR §158.321(d)(2), the issuer's:
 - a. total earned premium on individual market health insurance products in Iowa;
 - b. reported MLR for its Iowa individual market business, as determined under Iowa law;
 - c. estimated MLR for its Iowa individual market business, as determined in accordance with 45 CFR §158.221;
 - d. total agents' and brokers' commission expenses on individual health insurance products in Iowa;
 - e. estimated rebate for its Iowa individual market business, as determined in accordance with 45 CFR §158.221 and §158.240;
 - f. net underwriting profit for its individual market business and consolidated business in Iowa;
 - g. after-tax profit and profit margin for its individual market business and consolidated business in Iowa;
 - h. risk-based capital level; and
 - i. whether the issuer has provided notice to exit to the State's insurance commissioner, superintendent, or comparable State authority.

We note that issuers report this information, or the data components needed to calculate this information, in publicly available supplemental health care exhibits, annual statements, and other forms that the State requires them to file with the NAIC.

3. Please provide the information requested in items 1 and 2 in Excel spreadsheet format, as specified in the CCIIO Guidance issued on December 17, 2010, regarding the process by which a State must submit its MLR adjustment request. This guidance is posted on the CCIIO website at http://www.hhs.gov/ccio/regulations/12-17-2010ocio_2010-2a_guidance.pdf.
4. Please indicate any limitations on eligibility, enrollment periods, and coverage for pre-existing conditions for the Iowa Comprehensive Health Association/HIPIOWA, as required by 45 CFR §158.321(c).
5. The responses to 45 CFR §158.322(c) and (d) on page 4 of the application indicate that "A couple of companies have not estimated the rebates they may or may not have to pay

and only one company provided an estimate for 2011.” As required by §158.322(c) and (d), please provide an estimate of the total rebates that each issuer offering coverage in the individual market in Iowa would pay each year if it has to meet an 80 percent MLR for 2011, 2012, and 2013. Similarly, please provide an estimate of the total rebates each issuer would pay each year based upon the adjusted MLR standard proposed by the IID, (60 percent, 70 percent, and 75 percent for 2011, 2012, and 2013, respectively). If issuers are unwilling to provide specific rebate projections, please estimate the rebates amounts required under §158.322(c) and (d) for each issuer in Iowa’s individual market and provide any assumptions or calculations used to arrive at such estimates.

Please submit the information listed above to MLRAdjustments@hhs.gov.

Thank you in advance for your prompt reply. We look forward to working together to implement the Affordable Care Act. If you have any questions during this process, please contact the Office of Oversight by email at MLRQuestions@hhs.gov or by phone at (301) 492-4457.

Sincerely,

/Signed, GC, April 19, 2011/

Gary Cohen
Acting Director, Office of Oversight
Center for Consumer Information
and Insurance Oversight