



Kansas Insurance Department
Sandy Praeger, Commissioner of Insurance

December 21, 2011

TRANSMITTED BY E-MAIL

MLRAdjustments@hhs.gov

Mr. Gary Cohen
Acting Director, Office of Oversight
Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, MD 21244-1850

RE: Kansas' Request for Adjustment to Medical Loss Ratio Standard

Dear Mr. Cohen:

As requested in your November 28, 2011 request for additional information related to our MLR Adjustment Request, we are providing the following information:

1. In the Excel attachment to the Department's November 13, 2011 letter entitled "Kansas Issuers with More 1,000 Enrollees" the Department provided issuers' estimated rebates for 2011-2013 under the 80 percent MLR standard, and for 2012-2013 under the Department's proposed adjusted MLR standard. For each issuer included in the Department's application, please also provide an estimate of the rebates that would be paid for the 2011 MLR reporting year under the Department's proposed adjusted MLR standard.

Please see the attached spreadsheet that has been revised to include an estimate of rebates that would be paid for the 2011 MLR reporting year under the Department's proposed adjusted MLR standard of 70%.

2. Please ascertain whether all, or a majority of Reserve National Ins. Co.'s policies in the Kansas individual market are policies with total annual limits of \$250,000 ("mini-med policies). If so, please indicate whether the MLR calculation for Reserve takes into account the multiplier of two, provided for in 45 CFR 158.221(b)(3).

Please see the statement below that was provided by a representative of Reserve National Ins. Co. in response to your question:

All of our applicable policies in the individual health plan market in Kansas are considered to be "mini-med" policies. The MLR calculations we previously furnished for 2012 and

2013 did not take into account a multiplier, since the multipliers for those years were not known at the time we furnished those calculations. We now know that the multipliers for 2012 and 2013 are 1.75 and 1.5, respectively. Therefore, we can now state that the projected rebates are \$0 for 2012 and 2013.

3. On December 16, 2011 we received the following e-mail from Christina Pavlus:

Thank you for the information provided in your email below. However, could you please additionally provide the Supplemental Health Care Exhibit for Coventry Health & Life (NAIC code 81973) (in your email, you have provided the SHCE for Coventry Health Care of KS (NAIC code 95489), which is Coventry's other, very small block).

Thank you,

Christina Pavlus
Center for Consumer Information & Insurance Oversight
Department of Health & Human Services
301-492-4172

The Supplemental Health Care Exhibit for Coventry Health & Life (NAIC code 81973) is attached.

Please advise us if you have additional questions regarding the Department's Request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Linda J. Sheppard', with a long horizontal flourish extending to the right.

Linda J. Sheppard
Director, Accident & Health Division
and PPACA Project Manager

Attachments

KANSAS ISSUERS WITH MORE THAN 1,000 ENROLLEES (revised 12/21/2011)

Issuer	Est. 2012 MLR Rebate (80%)	Est. 2013 MLR Rebate (80%)	Est. 2011 MLR Rebate (70%)	Est. 2012 MLR Rebate (73%)	Est. 2013 MLR Rebate (76%)
Time Insurance Company	N/A	N/A	N/A	N/A	N/A
Reserve National Insurance Company**	\$574,007	\$559,401	\$0	\$0	\$0
Humana Insurance Company	\$201,576	N/A	\$0	\$0	\$6,699
Golden Rule Insurance Company	\$33,732	\$236,121	\$0	\$0	\$0
Coventry Health Care of Kansas	\$1,200,000	\$1,200,000	\$0	\$400,000	\$1,100,000
Blue Cross and Blue Shield of Kansas City	\$0	\$0	\$0	\$0	\$0
Blue Cross and Blue Shield of Kansas	\$0	\$0	\$0	\$0	\$0
Aetna	\$70,970	\$96,156	\$0	\$0	\$0

** Est. MLR rebates for 2012-2013 calculated under the provisions of 45 CFR 185.221(b)(3).