



July 1, 2011

**By Email and Regular Mail**

Emma Fontenot  
Deputy Commissioner, Office of Health Insurance  
Louisiana Department of Insurance  
P.O. Box 9412  
Baton Rouge, Louisiana 70804-9214

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

Dear Deputy Commissioner Fontenot:

Thank you for the additional information provided in the Louisiana Department of Insurance ("DOI")'s May 24, 2011 letter. This letter was sent in response to the Center for Consumer Information and Insurance Oversight ("CCIIO")'s April 18, 2011 letter, which requested information necessary to complete Louisiana's application for an adjustment to the MLR standard in Louisiana's individual health insurance market. We also thank you for the supplemental information provided in the DOI's April 29, 2011 letter. The DOI's April 29 letter was sent in response to CCIIO's April 19, 2011 letter, which requested information that was separate and distinct from the information necessary to complete the DOI's request for an adjustment to the MLR standard.

We have reviewed the information provided to us in this recent correspondence, and request further information regarding the items listed below. This information will aid the Secretary in her assessment of the application. The responses should be submitted to [MLRAdjustments@hhs.gov](mailto:MLRAdjustments@hhs.gov).

The items for which we request further information are:

1. Please provide the 2010 Supplemental Health Care Exhibit (SHCE), submitted to the National Association of Insurance Commissioners (NAIC), for each issuer that has at least 1,000 life-years in the Louisiana individual market.
2. Tabs 1 and 3 of the attachment entitled "MLR Data 5-18" to the DOI's May 24 letter list 35 issuers providing coverage in the Louisiana individual health insurance market. Please confirm that the following two issuers do not have at least 1,000 life-years in the

Louisiana individual health insurance market: (1) United Healthcare Insurance Company, and (2) American Public Life Insurance Company. If they do have at least 1,000 life-years in the Louisiana individual market, please provide all the information required by 45 CFR §§158.321(d)(1) and (d)(2) for these two issuers, as well as these issuers' 2010 SHCEs.

3. Please confirm the accuracy of the following chart, which is based upon data appearing at Tabs 1 and 3 to the DOI's May 24 letter, or make any corrections you deem necessary to make it accurate:

**Louisiana Individual Market  
Issuers' 2010 Enrollees and Market Share By Enrollment**

	<b>Issuer</b>	<b>Enrollees</b>	<b>Market Share</b>
1.	BCBS LA	109,735	61.2%
2.	HMO LA	21,326	11.9%
3.	Humana	11,347	6.3%
4.	Coventry	11,016	6.1%
5.	Time	5,431	3.0%
6.	Golden Rule	5,174	2.9%
7.	Aetna	3,499	2.0%
8.	Mega	3,013	1.7%
9.	Mid-West	1,691	0.9%
10.	Vantage	1,118	0.6%
	<b>TOTAL OF 10 LARGEST ISSUERS</b>	173,350	96.7%
	<b>TOTAL MARKET</b>	179,267	100.0%

4. Please describe briefly the individual market products listed on Tabs 1 and 3 to the DOI's May 24 letter of the following issuers: (1) Coventry Healthcare of Louisiana; (2) Golden Rule Insurance Company; (3) John Alden Insurance Company; (4) Time Insurance Company; and (5) Vantage Health Plan, Inc.
5. Tabs 1 and 3 to the DOI's May 24 letter list the product of New York Life Insurance Company as "group major medical." Please confirm that the 998 enrollees listed for New York Life Insurance Company receive their coverage through the Louisiana individual health insurance market rather than the Louisiana small-group or large-group market.
6. Tabs 1 and 3 of the DOI's May 24 letter do not describe the deductible, co-pay, or premium of the products listed. Accordingly, CCIHO assumes that if an issuer left the Louisiana individual health insurance market, other issuers' products are comparable and would be available to enrollees of the issuer leaving the market. Please confirm that this assumption is correct. If that assumption is incorrect, please provide for every such product (a) the issuer, (b) the number of Louisiana individual market enrollees that have the product, and (c) a description of the deductible, co-pay, and premium of the product.

7. Please explain the meaning and significance of the “Suspended” entry for Vantage Health Plan, Inc. in the “Provided Notice of Exit” row appearing at Tab 2 to the DOI’s May 24 letter. Will Vantage’s 1,118 Louisiana individual market enrollees soon have to obtain their coverage from other issuers, regardless of Vantage’s MLR?
  
8. Tab 2 to the DOI’s May 24 letter has a row for the Estimated 2010 PPACA MLR for ten issuers. Based on our assessment of select SHCE data, we calculate 2010 MLRs (using the Federal definition of MLR) for the same ten issuers in the following table. We have also included the “Estimated 2010 PPACA MLR” provided in the DOI’s May 24 letter. Please ascertain, using the Federal MLR definition and the 2010 SHCE data, whether you obtain the same estimates as the CCIIO estimates shown below. If you do not, please provide your estimates and a description of your methodology.

	<b>Company Name</b>	<b>2010 MLR Estimates</b>	
		<b>Louisiana Estimates</b>	<b>CCIIO Estimates</b>
1.	Aetna	Not Provided	86%
2.	BCBS LA	83%	84%
3.	Coventry Health Care of LA	78.6%	76%
4.	Golden Rule Insurance Co	47%	50%
5.	HMO of Louisiana	82%	87%
6.	Humana	64.1%	64%
7.	Mega	74.9%	54%
8.	Mid-West	74.8%	68%
9.	Time Insurance Company	Not Provided	74%
10.	Vantage Health Insurance Plan	74.2%	92%

9. Tab 2 to the DOI’s May 24 letter has a row for the Estimated 2010 Individual Market Rebate for ten issuers. Based on our assessment of select SHCE data, we calculate the estimated 2010 individual market rebates for the same ten issuers in the following table. We have also included the “Estimated Individual Market Rebate – 2010” provided in the DOI’s May 24 letter. Please ascertain, using the Federal definitions and the 2010 SHCE data, whether you obtain the same estimates as the CCIIO estimates shown below. If you do not, please provide your estimates and a description of your methodology.

	<b>Company Name</b>	<b>2010 Rebate Estimates</b>	
		<b>Louisiana Estimates</b>	<b>CCIIO Estimates</b>
1.	Aetna	\$1,974,799	\$0
2.	BCBS LA	\$0	\$0
3.	Coventry Health Care of LA	\$264,000	\$829,376
4.	Golden Rule Insurance Co	\$1,978,691	\$1,740,467
5.	HMO of Louisiana	\$0	\$0
6.	Humana	\$4,541,504	\$4,155,580

7.	Mega	Not Provided	\$1,122,411
8.	Mid-West	Not Provided	\$474,685
9.	Time Insurance Company	Not Provided	\$793,589
10.	Vantage Health Insurance Plan	Not Provided	\$0
	<b>AGGREGATE</b>	<b>\$8,758,944</b>	<b>\$9,116,108</b>

10. Please describe separately, for each of the following issuers, what indication, if any, the issuer has given you regarding whether that issuer plans to price to an 80 percent MLR for either 2011 or 2012: (1) Coventry; (2) Golden Rule; (3) Humana; (4) Mega; (5) Mid-West; and (6) Time.

Once again, we appreciate the DOI's cooperation in working together to implement the Affordable Care Act. Please feel free to contact the Office of Oversight by email at [MLRQuestions@hhs.gov](mailto:MLRQuestions@hhs.gov) or by phone at (301) 492-4457 if you have any questions or concerns.

Sincerely,

/Signed, GC, July 1, 2011/

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