



April 19, 2011

By Email and Regular Mail

Scott Kipper
Deputy Commissioner, Office of Health
Louisiana Department of Insurance
P.O. Box 94214
Baton Rouge, Louisiana 70804-9214

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

Dear Deputy Commissioner Kipper:

On April 18, 2011, the Center for Consumer Information and Insurance Oversight ("CCIIO") emailed you a letter regarding information the Louisiana Department of Insurance ("LDI") must submit in order to complete its application for an adjustment to the medical loss ratio ("MLR") standard for the Louisiana individual health insurance market. Although the LDI has not yet finalized its application, CCIIO has, in the interest of expediting the process, performed a preliminary review of the information the LDI has already submitted.

Based upon that review, we have some follow-up questions regarding the information the LDI has already submitted with its application dated March 17, 2011, which CCIIO received on March 29. These questions are distinct from the information that our separate April 18 letter indicates the LDI must submit before its application is deemed complete. Application completeness, and hence commencement of CCIIO's 30-day application processing period, will not be impacted by the timing of the LDI's response to the follow-up questions listed below. Nevertheless, prompt responses to the questions in this letter will greatly assist the Secretary in making a prompt determination as to whether to grant the LDI's request for an adjustment to the MLR standard. We would consequently appreciate receiving the LDI's responses within seven (7) calendar days from the date of this letter. The responses should be submitted to MLRAdjustments@hhs.gov. Please understand that after receiving the LDI's complete application we may have some additional questions.

Please provide the following information:

1. Title 45 CFR §158.343 provides that any State that submits a request for adjustment to the MLR standard may hold a public hearing with respect to its application. Please indicate whether the LDI has provided a forum for public input regard the LDI's application for an adjustment to the MLR standard. If there has been public input, please provide copies of the correspondence, comments or other input the LDI has received in connection with its request for an adjustment to the MLR standard.

2. Page 1 of the LDI's transmittal letter notes that "We have had some small carriers leave or discontinue selling in our marketplace since the adoption of the Affordable Care Act." Please identify those issuers, the date each left or discontinued selling health insurance in Louisiana's individual market, and the reasons they gave to the LDI regarding why they were leaving or discontinuing selling in the Louisiana individual health insurance market.
3. Page 2 of the LDI transmittal letter mentions a market conduct data call during which carriers expressed concerns over the maintenance of confidentiality of the data being collected. Please identify what data the issuers thought were confidential.
4. Please explain the process, calculations, and assumptions used to generate the 82.5 percent estimated PPACA MLR figure listed for the "2010 Largest Issuer" on page 3 of the LDI's application.
5. With respect to page 128 of Appendix I to the 2009-2010 Louisiana Insurance Department Annual Report,¹ please confirm that the page provides the Louisiana individual market business loss ratio (direct losses incurred/direct premium earned) of each issuer who offers coverage in the Louisiana individual market to more than 1,000 enrollees for the last full year for which the LDI has data. If that is not the case, please provide such data.
6. Page 3 of the LDI's application states that "Issuers have expressed a concern about the payment of rebate dollars to their enrollees and its effect on their companies which could potentially cause their withdrawal from the market." Please identify each issuer which made such statement(s), when each issuer made such statement(s), and how likely and imminent the issuer suggested was the withdrawal.

We look forward to receiving the requested information so that the Secretary can make a fully informed assessment and determination. As noted above, this information is separate and apart from whether the LDI's application for an adjustment to the MLR in its individual market is complete.

We appreciate the LDI's cooperation in working together to implement the Affordable Care Act in the best interests of all stakeholders. Please feel free to contact the Office of Oversight by email at MLRQuestions@hhs.gov or by phone at (301) 492-4457 if you have any questions or concerns.

Sincerely,

/Signed, GC, April 19, 2011/

Gary Cohen
Acting Director, Office of Oversight

¹ http://www.ldi.state.la.us/public_affairs/AnnualReport09-10_H-J.pdf .