



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

May 24, 2011

Via Email and Certified Mail/Return Receipt Request
Article #7010 1870 0001 3642 2466

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

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

Dear Mr. Cohen:

Thank you for your letter of April 18, 2011, wherein you requested additional information regarding the application for an adjustment to the medical loss ratio standard filed by the Louisiana Department of Insurance (LDI). In response to your request, the LDI respectfully submits the following information:

1. For each issuer that offers coverage in the Louisiana individual market, please state, as required by 45 CFR §158.321(d)(1): the issuer's share of that market; its number of enrollees by product; and premium data by product for the most recent date for which the LDI has the data.

Response: All requested information is set forth in Tab 1 of the enclosed Excel spreadsheet entitled MLR Data - Individual Market Data.

2. For each issuer that offers coverage in the Louisiana individual market to more than 1,000 enrollees, please provide, as required by 45 CFR §158.321(d)(2)(i) and (iii)-(viii), for the most recent complete year for which the LDI has the data, the issuer's:
 - a. total earned premium on individual market health insurance products in Louisiana;
 - b. estimated MLR for its individual market business in Louisiana, as determined in accordance with 45 CFR §158.221;
 - c. total agents' and broker's commission expenses on individual health insurance products in Louisiana;

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- d. estimated rebate for the individual market business in Louisiana, as determined in accordance with 45 CFR §§158.221 and 158.240;
- e. net underwriting profit for the individual market business and consolidated business in Louisiana;
- f. after-tax profit and profit margin for the individual market business and consolidated business in Louisiana; and
- g. risk-based capital level.

Response: All requested information is set forth in Tab 2 of the enclosed Excel spreadsheet entitled MLR Data - Insurers in the Individual Market with more than 1000 Enrollees.

3. For each issuer that offers coverage in the Louisiana individual market to more than 1,000 enrollees, please provide, as required by 45 CFR §158.321(d)(2)(ix), whether the issuer has provided notice of exit. The regulatory and statutory provisions cited on page 1 of the LDI's application with regard to Louisiana individual market withdrawal requirements (Louisiana Department of Insurance Directive 147 and LSA-R.S. 22:1074(C)(2)) indicate that such notices are a matter of public record.

Response: Please refer to Tab 2 of the enclosed Excel spreadsheet entitled MLR Data - Insurers in the Individual Market with more than 1000 Enrollees.

4. Please provide in Excel spreadsheet format the information required by 45 CFR §158.321(d), 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://cciiio.cms.gov/resources/files/12-17-2010ocio_2010-21_guidance.pdf.

Response: All requested data is provided in an Excel format in accordance with 45 CFR §158.321(d).

5. Title 45 CFR §158.322(c) requires an estimate of the rebates that would be paid for MLR reporting years 2011, 2012, and 2013 if the issuers offering coverage in the individual market in Louisiana must meet an 80 percent MLR standard in each of those years. Please confirm that the \$8,758,944 estimated aggregate rebate figure on page 3 of the LDI's application is for the MLR reporting year 2011 rather than 2010. In the event that this figure is for 2010, please also provide an estimate of the rebates that would be paid based on the 2011 MLR reporting year if the issuers offering coverage in the individual market in Louisiana must meet an 80 percent MLR that year. In addition, please provide an estimate of the rebates that would be paid for MLR reporting years 2012 and 2013 based on an 80 percent MLR standard.

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Response: The estimated aggregate rebate of \$8,758,944 is for the 2010 MLR reporting year. Listed below are the estimated aggregate rebates that would be paid for the 2011, 2012, and 2013 MLR reporting years based on an 80% MLR standard:

2011	\$10,983,000
2012	\$13,206,000
2013	\$15,429,000

6. With respect to the Louisiana Health Plan ("Plan") mentioned on pages 1-2 of the LDI's application, please describe any enrollment caps, funding limitations or any other constraints there may be with respect to enrollment in the Plan, as required by 45 CFR §158.321(c). Please also state the premium for, and number individuals enrolled in, each product offered under the Plan.

Response: There are no enrollment caps, funding limitations or any other constraints with respect to enrollment in the HIPAA Plan (a product within the Louisiana Health Plan). With regard to the High Risk Pool (a product within the Louisiana Health Plan), the only constraint is a projection model until 2013, wherein, if there is an excessive amount of enrollees, certain constraints would be implemented with respect to enrollment. However, currently, the enrollment is approximately one quarter of the projection model.

The premium and enrollment numbers in the HIPAA Plan and the High Risk Pool are listed below.

HIPAA Plan Product

\$1000 deductible, average premium is \$520 and number of enrollees is 202
\$2000 deductible, average premium is \$515 and number of enrollees is 296
\$3500 deductible, average premium is \$476 and number of enrollees is 112
\$5000 deductible, average premium is \$449 and number of enrollees is 440

High Risk Pool Product

\$1000 deductible, average premium is 448 and number of enrollees is 97
\$2000 deductible, average premium is \$423 and number of enrollees is 185
\$3500 deductible, average premium is \$387 and number of enrollees is 74
\$5000 deductible, average premium is \$365 and number of enrollees is 252

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We hope this submission sufficiently addresses your questions. Please contact my office at (225) 342-1355 if you need additional information.

Sincerely yours,

A handwritten signature in black ink that reads "Emma Fontenot". The signature is written in a cursive style with a large, stylized initial "E".

Emma Fontenot

Deputy Commissioner

Office of Health Insurance

Enclosures