

# Division of Insurance

## 2021 Dental Filing Guidance

Effective January 1, 2021

Webinar: April 1, 2020 - 9:00 am Pacific



# Division of Insurance

## Applicability of Rate/Form Guidance

This guidance applies to all dental form and rate filings with effective dates on or after 01/01/2021 for:

- Pediatric only and family SADPs sold through SSHIX
- Pediatric only and family SSHIX-certified dental plans sold outside the SSHIX
- Dental plans that are not intended to be SSHIX-certified



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## Filing Timeline for SADP Carriers

- All SADP binders must be submitted in SERFF no later than June 3, 2020
  - Earlier submissions are recommended
- All form, rate and binder filings are due June 3, 2020
- The NV DOI will provide final decisions by August 17, 2020



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## Filing Timeline for Non-SADP Carriers

- At least 120 days before the proposed effective date
  - At least 60 days rate change notification to existing members is required pursuant to NRS 687B.420
- Earlier submissions are encouraged



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## General Filing Requirements



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## SERFF Requirements

- Filing Type
  - Both combined rate/form filing and separate rate and form filings are acceptable
- Completed filing checklists must be submitted under the Supporting Documentation tab.
- Standard Naming Convention
  - **CarrierName\_YYYYmkt\_ Plantype\_v#\_ Filedesc.filetype**



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## Treatment of Proprietary Information

- Submit a written request for specific information to receive confidential treatment pursuant to NRS 679B.190(5)(b).
- Submit request as a “Note to Reviewer” and in cover letter.
- Indicate “proprietary and confidential” directly on each applicable document.

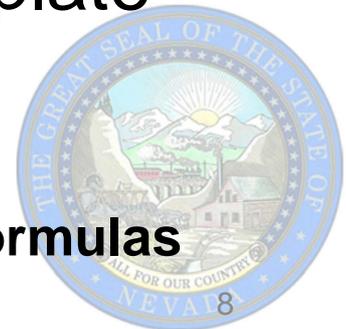


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## Rate filings must include:

- Detailed Actuarial Memorandum with Actuarial Certification (PDF only)
- Completed NV Dental Rate Filing Checklist
- Rating Manual – PDF only or PDF & Excel
- Actuarial Value Exhibits (SADPs only) - Excel
- Other Supporting Exhibits – Excel (see checklist)
- NV SADP Enrollment and Experience Template (Optional for non-SADPs) - Excel

**Note: All exhibits must be submitted in Excel format with formulas intact.**



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## New for 2021

- Exchange fee is 3.05% premium, compared to 3.15% for 2020
- The Health Insurance Providers Fee has been repealed effective January 1, 2021.



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## Rate Filing Standards

### **NRS 686B.050**

- “Rates must not be excessive, inadequate or unfairly discriminatory, nor may an insurer charge any rate which if continued will have or tend to have the effect of destroying competition or creating a monopoly...”



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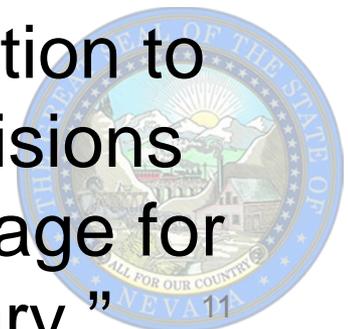
## Rate Filing Standards

### **NRS 695D.240**

- “The organization for dental care shall use not more than 25 percent of its prepaid charges or premiums for marketing and administrative expenses, including all costs to solicit members or dentists.”

### **NAC 695D.340**

- “Any information provided by an organization to demonstrate its compliance with the provisions of [NRS 686B.125](#), limiting rates for coverage for dental care, must be certified by an actuary.”



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## Rate Filing Standards

### **NRS 695F.160**

- “The rates and charges for a limited health service must be reasonable...”

### **NRS 695F.170**

- ”1. A prepaid limited health service organization shall file with the Commissioner a notice of any change in the rates, charges, benefits or any material change of any matter or document furnished pursuant to [NRS 695F.110](#). The organization shall submit any proof necessary to justify the change. No such change is effective unless it is approved by the Commissioner. ”



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## Minimum Loss Ratio Standards

Applies to all individual and large group dental filings

### **NRS 686B. 125:**

- “1. Except as otherwise provided in this section, no insurer, organization or person licensed pursuant to this title may sell or offer to sell any contract providing coverage for dental care at a rate which is excessive for the benefits offered to the insured or member. For the purpose of this section, a ratio of losses to premiums collected which is less than 75 percent is presumed to show an excessive rate.
- 2. The provisions of subsection 1 do not apply to a contract providing coverage for dental care that is sold to a small employer pursuant to the provisions of chapter 689C of NRS.



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## Actuarial Memorandum Requirements



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## Actuarial Memorandum Must Include:

- Detailed methodology and support
- Detailed discussion of the model used to develop the AV (SADPs only)
- Sufficient exhibits in addition to the NV SADPT
- Details of the data used
- Adjustments
- Experience, IBNP, projections
- Detailed support for trend development



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## General Information

- Company identifying information
  - Including the NV statute under which the legal entity is licensed (e.g., NRS 695C, 695D, 695F, 680A, etc.).
- Related Filings
  - Include SERFF tracking numbers for previous approve16d rate filings and for the associated form and binder filings
- Company Contact Information
  - The certifying actuary is the primary contact



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## Summary of Benefits

- Range of services, available benefit options
- Type of coverage (pediatric, adult, family)
- Tier structure
- Issue age range(s)
- Cost sharing structure
- Premium payment modes and Modalization rules



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## Summary of Benefits (cont.)

- Premium Guarantee Provision
  - Detailed description of the premium rate guarantee provision
  - Estimate of average projected annual premium per policy and per covered member
  - Average current annual premium per policy and per covered member (for rate revisions)
- Inclusion of non-EHBs (SSHIX-certified plans only)



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## Scope and Purpose of the Filing

- Regulatory authority
- Proposed implementation date of rate change
- Rate change history
- Reason for rate change(s)
  - Quantitative impact and narrative description of all significant factors driving the rate changes
- Rate change by plan
  - Appropriate mapping of membership
- Current rates (for rate revisions)
- Proposed rates



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## Historical Experience : Rate Revisions

- Indicate experience period, including last date of paid claims
- Both NV and Nationwide data
  - Earned Premium by plan and rating area
  - Incurred Claims by plan and rating area
  - Member Months by plan and rating area
- SSHIX-certified SADPs use SADP Enrollment and Experience Template (SADPT)



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## Additional Required Information

- Rate Development
  - Detailed description of the methodology
  - Describe the data
  - Details of the adjustments
- Projected experience
  - With requested rate changes (for rate revisions)
  - Without requested rate changes



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## Minimum Projected Loss Ratio

- Exhibits show the expected loss ratios
- In compliance with NRS 686B.125
- Detailed description of data source
- Detailed methodology of expected loss ratio development
- Quantitative support where appropriate



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## Assumptions

- Expected membership in member months
- Credibility of experience data
  - Detailed qualitative and quantitative support
- Morbidity
- Claim liability and reserves
- Underwriting
- Expected distribution of business
  - Pediatric
  - Adult



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## Assumptions (cont.)

- Non-benefit expenses
  - Administrative expenses
  - Sales and marketing expenses, including commissions
  - Net cost of private reinsurance
  - Premium tax
  - Other taxes, license and fees
    - SSHIX user fee (spread across the total expected member months)
  - Other expenses
- Risk margin
- Profit or contribution to surplus margin



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## Rating Factors

- Provide detailed description of data source and methodology for:
  - Age factors
  - Geographic factors
  - Family composition
  - Benefit plans factors
  - Any other rating factor



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## Misc. Requirements

- Actuarial justification for the proposed rating tier structure(s)
  - Actuarial support
- Reliance on others
- Actuarial Certification



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## Add'l Exchange-Certified Requirements

- Exchange-certified dental plans only
  - AV pricing model
  - Apportionment for pediatric dental
  - Guaranteed vs estimated rate



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## Actuarial Value (SADP)

- Must have the plan's actuarial value of coverage for pediatric dental EHBs
- Certified by a member of the American Academy of Actuaries
- For a network dental plan, only in-network charges are counted toward the development of the actuarial value.



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## Binder Requirements



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## Binder Submissions

- Separate binders for individual and small group dental filings
- Must include validated Plan Management templates
- Must include the network adequacy supporting data and documentation



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## Removing Plans From a Product

- SADP carriers may remove plans from a product each year
- If a product is not being discontinued, all policyholders within the remaining service area of this product must receive a notice of renewal with altered terms pursuant to NRS 687B.420



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## Plan Service Area

- SADP service areas must equal one or more rating territories
- Nevada's rating territories for 2021 are unchanged
- Off-exchange plan service areas may use partial counties



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## Form and Network Adequacy Requirements



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## Dental Form Filings

- Redlined versions of all forms for existing plans must be submitted
- Explanations of Type I, Type II, Type III, and Type IV dental services must be included within each schedule of benefits
  - Every service does not need to be listed in the Schedule of Benefits; however, important services of each category should be listed
- A detailed list of pediatric dental services must be included in the Evidence of Coverage



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## SADP Provisions

- 2021 SADPs are allowed an out-of-pocket maximum of \$350 for one covered child and \$700 for two or more covered children
- Type I dental services (preventive and diagnostic services) should not be subject to a deductible
- No waiting periods are allowed on pediatric dental, such as orthodontia.



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## SADP Provisions (cont.)

- Stand-alone dental plans that provide coverage for the pediatric dental EHB should cover members until at least the end of the month in which the member turns age 19. (PHSA 2707 (a), 45 CFR § 155.1065)



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## Network Adequacy

### A carrier must:

- Have at least one general dentist, one periodontist, one oral surgeon, and one orthodontist in county within the service area with the following time or distance standards:
  - Urban Counties (Carson City, Clark, Washoe): 45 miles or 45 Minutes
  - Rural Counties (Douglas, Lyon, Storey): 60 miles or 1 hour
  - Remainder of State: 100 miles or 2 hours
- Contract with at least 20% of available ECPs in each plan's service area
- Offer contracts in good faith to all available Indian health care providers in the service area.



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## Resources

Available on our website by 4/8/2020 at:

<http://doi.nv.gov/Insurers/Life-Health/Filing-Information/>

- 2021 Dental Filing Guidance (This slide deck)
- NV Guidance for Dental Plans
- NV Dental Rate Filing Checklist
- SADP Template and instructions
- SADP Form Checklist



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## Questions

