ACA-Compliant
Health Insurance Rate Filing Guidance

Nevada Rate Filing Template Instructions
Version 5

Department of Business and Industry

Nevada Division of Insurance

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Nevada Division of Insurance

Instructions for Completing the Nevada Rate Filing Template – Version 5

Overview

Carriers are required to complete and submit the Nevada Rate Filing Template ("the Template") for all non-grandfathered individual and small group rate filings sold on or off the Exchange, regardless of whether the filing is for new or existing products. The data captured in the Template includes information related to enrollment, the development of the index rate, rating factors, risk adjustment transfer payments, and experience data.

The information reported in the Template is intended to be consistent with current State and Federal laws and other regulatory guidance. If any subsequent changes are made to State or Federal law and/or guidance that are in conflict with these instructions, the revised laws/guidance will supersede these instructions.

The Template consists of the following worksheets that require input from carriers:

- Worksheet 3 – Plan Mapping & Rate Change
- Worksheet 6 – Rating Factors
- Worksheet 7 – Risk Adjustment
- Worksheet 8– Experience by Month – Trend Justification

Once populated with the required information, the Template should be submitted in **Excel** format with working formulas, in the "Supporting Documentation" tab of the NAIC's System for Electronic Rate and Form Filing (SERFF).

For purposes of completing the Template, please note the following:

- **Cell Shading:** All yellow shaded cells should be populated by the filer.
- **Incurred Claims** are claims after the removal of any duplicates, claims for non-covered services, or coordination of benefits (COB), and after the application of provider discounts and reduction for any cost sharing payable by the member or a governmental agency. This field also includes runout after the incurred date as well as an appropriate adjustment for claims incurred but not yet paid (IBNP) as of the reporting date.

Please note the following when completing the Template:

- **Do not** adjust allowed or incurred claims for non-medical items (e.g., quality improvement expenses) that can be added to the numerator in the federal Medical Loss Ratio (MLR) calculation. The treatment of any claims processed outside of the claims system should be consistent (inclusion or exclusion) with how such claims were handled in pricing. The actuarial memorandum should include documentation of any adjustments made for non-system claims.
- The Standard Component Plan ID field should be populated using the Standard Component Plan

The required information should contain data for all policies in the single risk pool (SRP) included in the submitted filing, including data for plans that existed during the experience period but are or will be terminated by the effective date of the rate filing (except where specifically noted throughout these instructions). This applies to all worksheets except for 8, which may be populated with experience data other than that of the single risk pool when such other experience is used to develop the manual rate or to support trend assumptions used in the filing.

When completing sections of the template where the number of rows a carrier may enter is variable, please enter the first row of data in the first row of colored cells. Enter all subsequent rows of data in a continuous manner; do not leave any blank rows between the records.

Do not attempt to alter the format of the worksheets in any way (including adding/copying sheets).

Submitting to the System for Electronic Rate and Form Filing ("SERFF")

When submitting the NV template to SERFF, please make sure to include both the XML output file and the Excel file. Also, be sure to use the standard naming convention when naming both files.

How to Export NV Template to XML

1. Navigate to Worksheet 1 in the NV Template
2. Click "Export to XML" (alternatively, use the keystroke Ctrl+Shift+X from any sheet)
3. Make note of the location of the saved XML file

Standard Naming Convention

Please use the following standard naming convention when naming any template files submitted to the Nevada Division of Insurance: **CarrierName_YYYYQ#mkt_v#_Template.xml**

- **CarrierName**: Up to 6 Characters which identify the carrier
- **YYYY**: four digit filing year
- **mkt**: "i" for individual "s" for small group filings
- **v#**: v followed by the version number (increment for each update to the filing)
- **Template**: indicate one of the following: NVT, RT, URRT, PBT, SAT
    - **NVT** – Nevada Rate Filing Template
    - **RT** – Rates Template
    - **URRT** – URRT Template
    - **PBT** – Plan and Benefit Template
    - **SAT** – Service Area Template

Worksheet 3: Plan Mapping & Rate Change

All plans included in the single risk pool for the most recently approved rate filing, even if the plan has been terminated or will be terminated before the effective date of this filing, must be included in this tab.

The purpose of this worksheet is to capture the mapping of all plans from the current period that have been modified in accordance with the uniform plan modification rules[1] or have been discontinued to plans being offered in the market for the projection period and to capture the rate change by plan[2] **Carriers with no membership in the single risk pool for the current period should skip this worksheet. However, do not delete this worksheet from the workbook.** Plan rows on this sheet may be added manually as necessary.

- **Current Period HIOS ID:** Enter the HIOS Plan ID from the current period.
- **Current Period Metal Tier:** Enter C, Std. B, Exp. B, S, G, P, respectively to represent Catastrophic, Standard Bronze, Expanded Bronze, Silver, Gold or Platinum metal tier.
- **Current enrollment:** Enter the number of members enrolled in the current period.
- **Projected Year HIOS Plan ID:** Enter the HIOS Plan ID for the Projection period.
- **Projected Metal Tier:** Enter C, Exp. B, Std. B, S, G, P, respectively to represent Catastrophic, Expanded Bronze, Standard Bronze, Silver, Gold or Platinum metal tier.
- **Year Over Year % Change – Rating Area 1:** Enter the rate change for rating area 1 as a percentage. For mapped plans, the rate change should reflect the percentage change from the terminating plan to the mapped plan projected rate. Carriers are expected to submit detailed documentation of the method used to determine the amounts entered in this field in the actuarial memorandum. Carriers will also need to provide an exhibit demonstrating the calculation of this item in an Excel spreadsheet with formulas intact.
- **Year Over Year % Change – Rating Area 2:** Enter the rate change for rating area 2 as a percentage. For mapped plans, the rate change should reflect the percentage change from the terminating plan to the mapped plan projected rate. Carriers are expected to submit detailed documentation of the method used to determine the amounts entered in this field in the actuarial memorandum. Carriers will also need to provide an exhibit demonstrating the calculation of this item in an Excel spreadsheet with formulas intact.

[1] 45CFR 146.152, 147.106, and 148.122

[2] All plans included in the single risk pool for the most recently approved rate filing, even if the plan has been terminated or will be terminated before the effective date of this filing, must be included in this tab.

- **Year Over Year % Change – Rating Area 3:** Enter the rate change for rating area 3 as a percentage. For mapped plans, the rate change should reflect the percentage change from the terminating plan to the mapped plan projected rate. Carriers are expected to submit detailed documentation of the method used to determine the amounts entered in this field in the actuarial memorandum. Carriers will also need to provide an exhibit demonstrating the calculation of this item in an Excel spreadsheet with formulas intact.
- **Year Over Year % Change – Rating Area 4:** Enter the rate change for rating area 4 as a percentage. For mapped plans, the rate change should reflect the percentage change from the terminating plan to the mapped plan projected rate. Carriers are expected to submit detailed documentation of the method used to determine the amounts entered in this field in the actuarial memorandum. Carriers will also need to provide an exhibit demonstrating the calculation of this item in an Excel spreadsheet with formulas intact.
- **Year Over Year % Change – All Rating Areas:** Enter the total rate change for **all rating areas** as a percentage. For mapped plans, the rate change should reflect the percentage change from the terminating plan to the mapped plan projected rate. Carriers are expected to submit detailed documentation of the method used to determine the amounts entered in this field in the actuarial memorandum. Carriers will also need to provide an exhibit demonstrating the calculation of this item in an Excel spreadsheet with formulas intact.
- **Plan Status Indicator:** Enter "T" for plans that will not be offered in the projected period, "R" for plans that will be offered in projected period and "R-CG" for plans offered by another issuer within the controlled group in and that will be renewed in projected period by the submitting issuer.

Worksheet 6: Rating Factors

This worksheet collects information relating to the carrier's rating factors as well as the quarterly trend rate for small group carriers. Carriers are expected to submit a separate exhibit, in Excel format with working formulas, which demonstrates the calculation of these factors and provide detailed documentation of the methodology used to determine these factors in the actuarial memorandum.

Section I - Network Factors: The network factors entered in the 'Experience' column should equal the network factors used in the rate filing approved for the experience period as defined in the Unified Rate Review Template (URRT). The network factors entered in the 'Current' column should equal the network factors used in the most recently approved rate filing. For the 'Proposed' rating factors, the network factor should represent the proposed factors used in the submitted rate filing.

Section II - Geographic Adjustment Factors: The geographic adjustment factors entered in the 'Experience' column should equal the geographic adjustment factors used in the experience period as defined in the Unified Rate Review Template (URRT). The geographic adjustment factors entered in the 'Current' column should equal the geographic adjustment factors used in the most recently approved rate filing. For the 'Proposed' rating factors, the geographic adjustment should represent the proposed factors used in the submitted rate filing.

Section III - Quarterly Trend rate: This section should be completed for small group single risk pool filings only. Enter the annualized trend rate for each quarter.

Section IV - Age and Tobacco Factors:

- **Age Factor:** Nevada uses the default federal age curve. The age factors for the 'Experience Period', 'Current Period' and 'Projected period' columns have been pre-populated. Do not change these factors.
- **Tobacco Factor:** The tobacco use adjustment factors entered in the 'Experience Period' column (Column E) should represent the factors used in the experience period as defined in the URRT. The tobacco use adjustment factors in the 'Current' column (Column F) should represent the factors used in the most recently approved rate filing. For the 'Proposed' rating factors, the tobacco use adjustment entered in column G should represent the proposed factors used in this submitted rate filing.
- **Tobacco Membership Distribution (As a Percentage):** Enter the actual percentage of members using tobacco products at each age for the experience period and the current period. For the projection period, enter the assumed percentage of members using tobacco products for each age, which is used to calculate the tobacco calibration factor for this filing.
- **Total Member Months:** These are calculated fields. Do not enter any values.
- **Membership Distribution:** These are calculated fields. Do not enter any values.
- **Age Calibration:** These are calculated fields. Do not enter any values.
- **Tobacco Calibration:** These are calculated values. Do not enter any values.

Worksheet 7: Risk Adjustment

This worksheet collects information relating to the calculation of the risk adjustment transfer payment amounts payable to or by the carrier under the federal risk adjustment program. Carriers may choose to use a non- standardized approach which must be supported by a detailed narrative in the actuarial memorandum as well as a numerical demonstration of the calculation submitted in Excel format with working formulas.

Regardless of the methodology used, carriers are expected to provide detailed support for each element of the calculation of the risk adjustment transfer payments in the actuarial memorandum.

- Section I (Historical Statewide Factors):
    - The information in the first two columns in the table will be auto populated and cannot be changed.
    - The third column should be completed by the carrier if that information comes available after the template is provided to the carriers.
    - The Projected column should be filled out if the methodology used to estimate the projected Risk Adjustment is based on estimating the formula factors for both Statewide and the carrier.
- Section II (Historical Carrier Factors):
    - The first two columns in the table must be completed, regardless of how the projected Risk Adjustment is calculated. The factors entered must be based on the information received from CMS regarding the Risk Adjustment transfer amount for each year (i.e., TPIR report), not the factors from a third-party vendor.
    - The third column should be completed once that information is available, which is usually after the initial filing but during the review process.
    - The Projected column should be completed if the methodology used to estimate the projected Risk Adjustment is based on estimating the formula factors for both Statewide and the carrier.
- Section III (Historical Carrier Results):
    - The first two columns in the table must be completed with the estimated transfer amount from the filing for that year, actual Risk Adjustment transfer amount and actual member months. The actual information must be based on the information received from CMS regarding the Risk Adjustment transfer amount for each year (i.e., TPIR report), not the factors from a third-party vendor. If the after RADV amount is known, please provide that amount as well. If it is not known, that row can be left blank.
    - The third column in the table should be completed with the estimated transfer amount from the filing for that year and the actual Risk Adjustment transfer amount, if known, and the actual member months. If the actual transfer amount is not known, please complete that column with the most recent estimate for the transfer amount. If this amount does not match the Risk Adjustment amount in the experience period section of the URRT, the carrier will be asked to explain. If the after RADV amount is known, please provide that amount as well. If it is not known, that row can be left blank.
    - The fourth column in the table should be completed with the estimated transfer amount and member months from the approved filing for that year.

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- The fifth column should be completed with the projected Risk Adjustment amount and member months as shown in the submitted filing.

Worksheet 8: Experience by Month - Trend Justification

The information collected in this worksheet is intended to provide support for the trend assumptions included in this filing.

For dollar entries where the carrier is reporting no experience, the carrier should enter zero. New carriers should complete sections II, IV and VI. The worksheet collects the following information in five sections:

Section I. Annual Adjustments – NV SRP: This section collects information related to annual adjustments that may need to be made to experience data before it can be used to determine a trend assumption. This section deals with experience based on Nevada-only data for the single risk pool filed.

- **Federal Reinsurance Recoverable:** Enter the net adjustment to claims as a result of reimbursements received from the federal transition reinsurance program. Enter amounts recoverable from the federal reinsurance program as positive values.
- **Private Reinsurance Recoverable:** Enter the net adjustment to claims as a result of reimbursements received from private reinsurance arrangements. Enter amounts recoverable from private reinsurance arrangements as positive values.
- **Federal Risk Adjustment:** Enter the actual/expected net amounts payable to or from the federal risk adjustment program, including any risk adjustment user fees. Amounts payable to the carrier should be entered as a positive value.
- **Federal Risk Corridor:** Enter the amounts paid by the federal risk corridor program as a positive number. Do not include any amounts that may be owed to a carrier but have not yet been paid. Enter any amounts paid or payable by a carrier as a negative value.
- **Adjustment for large claims:** Enter the total amount of incurred claims for all large claimants incurred in the applicable period. The value entered should include actual runout plus an estimate of IBNP, if applicable.
- **Other Adjustments:** Enter any other adjustments to claims for the applicable period. Amounts that reduce a carrier's liability should be entered as a positive value.

Section II. Annual Adjustments – Alternate Data Source: This section collects information related to annual adjustments that may need to be made to the experience data before it can be used to determine a trend assumption. This section collects experience similar to that in Section I but based on an alternate data source.

- **Federal Reinsurance Recoverable:** Enter the net adjustment to claims as a result of reimbursements received from the federal transition reinsurance program. Enter amounts recoverable from the federal reinsurance program as positive values.
- **Private Reinsurance Recoverable:** Enter the net adjustment to claims as a result of reimbursements received from private reinsurance arrangements. Enter amounts recoverable from private reinsurance arrangements as positive values.

- **Federal Risk Adjustment:** Enter the actual/expected net amounts payable to or from the federal risk adjustment program, including any risk adjustment user fees. Amounts payable to the carrier should be entered as a positive value.
- **Federal Risk Corridor:** Enter the amounts paid by the federal risk corridor program as a positive number. Do not include any amounts that may be owed to a carrier but have not yet been paid. Enter any amounts paid or payable by a carrier as a negative value.
- **Adjustment for large claims:** Enter the total amount of incurred claims for all large claimants incurred in the applicable period. The value entered should include actual runout plus an estimate of IBNP, if applicable.
- **Other Adjustments:** Enter any other adjustments to claims for the applicable period. Amounts that reduce a carrier's liability should be entered as a positive value.

Section III: Description of Data – NV SRP: Enter a description of the data used for trend development.

Section IV: Description of Data – Alternate Data Source: Enter a description of the data used for trend development.

Section V. Experience Data by Month - NV SRP: This section collects experience data for all Nevada policies in the single risk pool (SRP) for the applicable period. This worksheet captures the historical claims data that was used to support the carrier's trend assumption and should be completed by all carriers with polices in the SRP during any part of the period. If the Nevada experience of the single risk pool included in the filing is considered to be less than 100% credible section V must also be completed. Carriers with no Nevada experience in the SRP filed should leave this section unpopulated.

- **Members:** Enter the number of member months applicable for that month
- **Earned Premium:** Enter the total premium that was earned from members during the indicated month.
- **Paid Medical Claims:** Enter the total claims paid (Net of CSR Recoveries, as applicable), including runout for incurral dates during the indicated month. These amounts are reported net of cost sharing amounts payable by HHS under the cost sharing reduction program.
- **Completion Factor:** Enter completion factors for the indicated month. Express this as a percentage.
- **Incurred Medical Claims:** This is a calculated field. Do not enter a value.
- **RX Claims**: Enter the incurred Rx Claim dollars for each incurred month. Any IBNR should be included in the amounts entered.
- **RX Rebates:** Enter the total amount of prescription drug rebates that are paid directly by the manufacturer to the carrier as a negative number. If the carrier does not receive rebate reports at the product, plan and month level, the carrier should allocate the rebates and be prepared to support the allocation if the Division requests it. Estimates of rebates anticipated to be received but have not yet been received should be included. These estimates should be documented and provided to the Division upon request. *This value should be entered as a negative number.*

- **Capitated Claims:** Enter the total amount of any capitated claims by incurred month.
- **Total Incurred Claims:** This is a calculated field. Do not enter a value.
- **Total Incurred Claims PMPM:** This is a calculated field. Do not enter a value.
- **Large Incurred Claims:** Enter the amount of large claims incurred for the applicable month. This amount will be removed from the trend calculation.
- **Allowed Claims:** Enter the amount of claims after the removal of any duplicates, claims for non- covered services, or COB, and after the application of provider discounts and HHS cost sharing, but prior to reduction for any member cost sharing. Include actual runout as well as an estimate of claims incurred but not yet paid. (Should reflect actual runout or completion factors, as appropriate, net of CSR recoverables, as applicable, and prescription drug rebates.)
- **Allowed PMPM:** This is a calculated field. Do not enter a value.
- **Loss Ratio:** This is a calculated field. Do not enter a value.

- **Normalization Factors:** This section reports average normalization factors, so that changes in the characteristics of the population over time may be removed from trend analysis to determine a secular trend. The normalization factors are not required to be the same as the factors used in setting premiums; however, a common set of factors must be used for all 36 months in the experience period so that changes in the average normalization factors reflect changes in the population and not in the factors themselves. The factors should be determined based on all covered members, not just those with incurred claims.
    - **Age/Gender:** Enter the average age/gender factor (weighted by membership) for the membership that was in force for the applicable month. If the Risk /Morbidity normalization factor (discussed below) incorporates the portion of risk related to age and gender, this field should be populated with 1.00.
    - **Benefit Richness:** Enter the average factors related to the underlying cost sharing benefits (weighted by membership) for the membership that was in force for the applicable month. This should reflect an estimate of the average incurred to allowed ratio, plus induced utilization, across all plans.
    - **Risk /Morbidity:** Enter the average risk score or morbidity factor (weighted by membership) that represents the estimated morbidity for the membership that was in force for the applicable month. The value entered may be the HHS risk score used for risk adjustment, but it is not required to be the HHS risk score. The most recent risk adjustment model (weighted by membership).
    - **Geographic Area:** Enter the average geographic factor (weighted by membership) for the membership that was in force for the applicable month.
    - **Tobacco:** Enter the average tobacco factor (weighted by membership) for the membership that was in force for the applicable month. If the carrier does not propose utilizing rates based on tobacco use, this field should be populated with a 1.00.

- **Other:** Enter the average 'other' factor (weighted by membership) for the membership that was in force for the applicable month. This estimate should reflect the normalization of the claim costs for any other dynamics that impact cost and are not better reflected in one of the above categories. At a minimum this would include factors related to network management and benefits provided in addition to EHB which correspond to the rating factors described in 45 CFR Part 156.80(d)(2)(ii) and (iii).