

State Rating Requirements Disclosure Form

February, 2013

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-XXXX**. The time required to complete this information collection is estimated to average 8 hours (480 minutes) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Instructions:

This form must be submitted by the State Department of Insurance or other applicable regulatory agency and signed by an authorized official. Complete this disclosure form to provide rating requirements specific to your state and/or to request approval for geographical rating areas. You must complete all sections of this form. Please provide the names and contact information for at least two people who may serve as contacts for CMS.

Submit the completed form and supporting documents electronically to:
marketreform@cms.hhs.gov

Submit any questions to: marketreform@cms.hhs.gov

PART A

1. State: West Virginia

2. Date of Disclosure: 3/18/13

3. Primary Contact Information

Name: Jeremiah Samples

Designation: Director, Health Policy Unit

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E-mail: jeremiah.samples@wvinsurance.gov

4. Secondary Contact Information

Name: William Adamson

Designation: Director, Rates and Forms

Address: 1124 Smith St., Charleston, WV 25303

Phone: 3045586279 ext 1130

E-mail: William.adamson@wvinsurance.gov

5. Please indicate whether the state is seeking CMS approval for rating areas not established by law, rule, regulation, bulletin, or other executive action for the entire state as of January 1, 2013 and the number of rating areas in the individual and/or small group market that is greater than the number described in 45 CFR §147.102(b)(3)(ii):

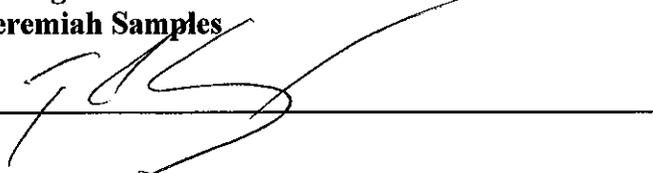
Yes

No

6. Official authorized to sign this disclosure:

Name and Designation: WV Offices of the Insurance Commissioner, Health Policy Director, Jeremiah Samples

Signature: _____



PART B

I. Age Rating Ratio (45 CFR §147.103(a)(1))

1. Within the individual market, are health insurance issuers in your state required to use an age rating ratio lower than 3:1?

The state has no specific requirements in the individual market and the state uses a 3:1 age rating ratio.

Yes, the ratio is lower – details are provided below.

2. Enter the state's individual age rating ratio (if lower than 3:1): _____

3. Within the small group market, are health insurance issuers in your state required to use an age rating ratio lower than 3:1?

The state has no specific requirements in the small group market and the state uses a 3:1 age rating ratio.

Yes, the ratio is lower – details are provided below.

4. Enter the state's small group age rating ratio (if lower than 3:1): _____

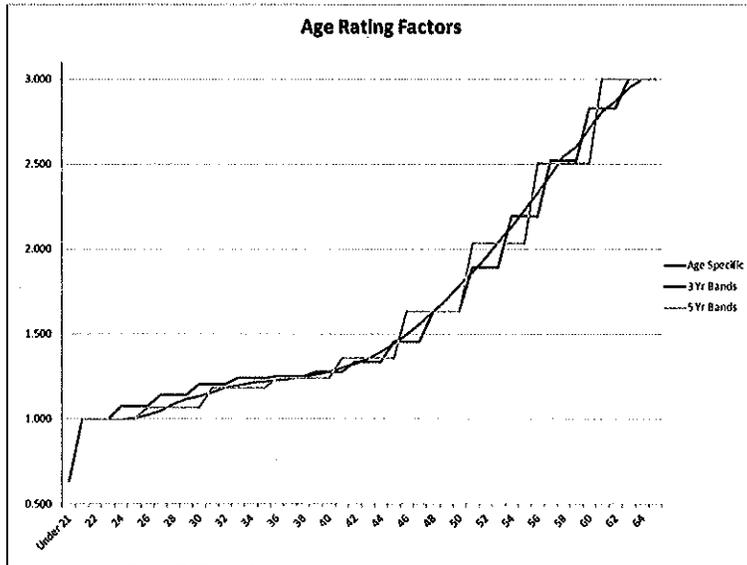
5. Provide details as appropriate, specifying market.

The state will proceed with a single year age curve so as to avoid rate shock as consumers transition from one age grouping to the next. Actuarial analysis of WV's market found:

Maximum annual increase based on age

- Annual age band: 4.7%
- 3-year age band: 15.9%
- 5-year age band: 24.5%

The change in the age slope will not impact average premiums significantly, but will have a large impact to some individual members. The state decision is based on actuarial analysis undertaken for WV's market place.



6. List supporting documents attached, if any.

II. Age Rating Curve (45 CFR §147.103(a)(6))

1. Within the individual market, are all health insurance issuers in your state required to use a uniform age rating curve other than the federal default age curve?

Yes

No

2. If yes, provide the age rating curve for the individual market.

3. Within the small group market, are all health insurance issuers in your state required to use a uniform age rating curve other than the federal default age curve?

Yes

No

4. If yes, provide the age rating curve for the small group market.

5. List supporting documents attached, if any.

The state will proceed with a single year age curve so as to avoid rate shock as consumers transition from one age grouping to the next. Actuarial analysis of WV's market found:

Maximum annual increase based on age

- Annual age band: 4.7%
- 3-year age band: 15.9%
- 5-year age band: 24.5%

The change in the age slope will not impact average premiums significantly, but will have a large impact to some individual members. The state decision is based on actuarial analysis undertaken for WV's market place.

III. Tobacco Use Rating Ratio (45 CFR §147.103(a)(2))

1. Within the individual market, are health insurance issuers in your state required to use a tobacco use rating ratio lower than 1.5:1?

The state has no specific requirements in the individual market and the state uses a 1.5:1 rating ratio.

Yes, the ratio is lower – details are provided below.

2. Enter the state's individual tobacco use rating ratio (if lower than from 1.5:1):

3. Within the small group market, are health insurance issuers in your state required to use a tobacco use rating ratio lower than 1.5:1?

The state has no specific requirements in the small group market and the state uses a 1.5:1 rating ratio.

Yes, the ratio is lower – details are provided below.

4. Enter the state's small group tobacco use rating ratio (if lower than 1.5:1): _____

5. Provide details as appropriate, specifying market.

6. List supporting documents attached, if any.

IV. Risk Pools (45 CFR §156.80(c))

1. Are health insurance issuers in your state required to merge the individual and small group insurance markets into a single risk pool?

Yes, details are provided below.

No, the markets are always separate and distinct.

No, however, it is allowed.

2. Provide details as appropriate.

West Virginia State Code addresses the two markets separately, Chapter 33, Article 15 for individual and Chapter 33, Article 16D for the small group market.

3. List supporting documents attached, if any.

V. Small Group Market Premiums (45 CFR §147.103(a)(5))

1. Are health insurance issuers in the small group market in your state required to offer to a group premiums that are based on average enrollee amounts?

Yes

No

2. Provide details as appropriate.

3. List supporting documents attached, if any.

VI. Geographical Rating Areas (45 CFR §147.103(a)(3))

1. Within the individual market, are health insurance issuers in your state required to use state-defined geographical rating areas?

Yes, details are provided in 2, 3, 4 and 5 below.

No, the state has no specific rating areas in the individual market.

2. Enter the number of rating areas (if applicable): _____

3. Basis for rating areas (if applicable)

Rating areas based on counties

Rating areas based on three-digit zip codes

Rating areas based on metropolitan statistical areas (MSAs) and non-MSAs

4. Date rating areas were established by law, rule, regulation, or other executive action (if applicable): _____

5. Is the state seeking CMS approval for a number of rating areas in the individual market that is greater than the number described in 45 CFR §147.102(b)(3)(ii)?

Yes

No

If yes, provide details in 11 and 12 below.

6. Within the small group market, are health insurance issuers in your state required to use state-defined geographical rating areas?

Yes, details are provided in 7, 8, 9 and 10 below.

No, the state has no specific rating areas in the small group market.

7. Enter the number of rating areas (if applicable): _____

1

8. Basis for rating areas (if applicable)

- Rating areas based on counties
- Rating areas based on three-digit zip codes
- Rating areas based on metropolitan statistical areas (MSAs) and non-MSAs

9. Date rating areas were established by law, rule, regulation, or other executive action (if applicable): _____

10. Is the state seeking CMS approval for a number of rating areas in the small group market that is greater than the number described in 45 CFR §147.102(b)(3)(ii)?

- Yes
- No

If yes, provide details in 11 and 12 below.

11. Provide detailed description of the proposed rating areas, specifying market.

In both the individual and small group market the state is proceeding with eleven rating areas. Service area equates to county in West Virginia. These regions are based on provider catchment areas, population health and utilization experience factors, and matches to a large degree regional breakdowns in the market today. The state will proceed with eleven rating areas in concurrent service areas, or counties, as follows:

County Demographic and Regional Analysis Sorted By County			County Demographic and Regional Analysis Sorted By Region		
<u>County</u>	<u>Census < 65</u>	<u>11 Regions</u>	<u>County</u>	<u>Census < 65</u>	<u>11 Regions</u>
Barbour	13,745	Morgantown II	Braxton	11,921	Charleston I
Berkeley	93,377	Martinsburg I	Calhoun	6,236	Charleston I
Boone	20,949	Charleston III	Clay	7,851	Charleston I
Braxton	11,921	Charleston I	Fayette	38,022	Charleston I
Brooke	19,314	Wheeling	Greenbrier	28,855	Charleston I
Cabell	81,285	Huntington	Nicholas	21,671	Charleston I
Calhoun	6,236	Charleston I	Roane	12,213	Charleston I

Clay	7,851	Charleston I	Kanawha	160,006	Charleston II
Doddridge	6,880	Morgantown I	Boone	20,949	Charleston III
Fayette	38,022	Charleston I	Lincoln	18,253	Charleston III
Gilmer	7,486	Morgantown I	Logan	30,806	Charleston III
Grant	9,632	Martinsburg II	McDowell	18,122	Charleston III
Greenbrier	28,855	Charleston I	Mingo	22,897	Charleston III
Hampshire	19,788	Martinsburg II	Wyoming	19,836	Charleston III
Hancock	24,793	Wheeling	Mercer	51,221	Charleston IV
Hardy	11,519	Martinsburg II	Monroe	10,814	Charleston IV
Harrison	57,840	Morgantown II	Raleigh	66,388	Charleston IV
Jackson	24,065	Parkersburg	Summers	11,149	Charleston IV
Jefferson	47,610	Martinsburg I	Cabell	81,285	Huntington
Kanawha	160,006	Charleston II	Mason	22,575	Huntington
Lewis	13,412	Morgantown I	Putnam	47,775	Huntington
Lincoln	18,253	Charleston III	Wayne	34,965	Huntington
Logan	30,806	Charleston III	Berkeley	93,377	Martinsburg I
Marion	46,966	Morgantown I	Jefferson	47,610	Martinsburg I
Marshall	27,060	Wheeling	Grant	9,632	Martinsburg II
Mason	22,575	Huntington	Hampshire	19,788	Martinsburg II
McDowell	18,122	Charleston III	Hardy	11,519	Martinsburg II
Mercer	51,221	Charleston IV	Mineral	23,202	Martinsburg II
Mineral	23,202	Martinsburg II	Morgan	14,203	Martinsburg II
Mingo	22,897	Charleston III	Pendleton	5,947	Martinsburg II
Monongalia	88,478	Morgantown I	Doddridge	6,880	Morgantown I
Monroe	10,814	Charleston IV	Gilmer	7,486	Morgantown I
Morgan	14,203	Martinsburg II	Lewis	13,412	Morgantown I
Nicholas	21,671	Charleston I	Marion	46,966	Morgantown I
Ohio	36,105	Wheeling	Monongalia	88,478	Morgantown I
Pendleton	5,947	Martinsburg II	Wetzel	13,114	Morgantown I
Pleasants	6,363	Parkersburg	Barbour	13,745	Morgantown II
Pocahontas	7,064	Morgantown II	Harrison	57,840	Morgantown II
Preston	28,260	Morgantown II	Pocahontas	7,064	Morgantown II
Putnam	47,775	Huntington	Preston	28,260	Morgantown II
Raleigh	66,388	Charleston IV	Randolph	24,073	Morgantown II
Randolph	24,073	Morgantown II	Taylor	14,193	Morgantown II

Ritchie	8,452	Parkersburg	Tucker	5,554	Morgantown II
Roane	12,213	Charleston I	Upshur	20,212	Morgantown II
Summers	11,149	Charleston IV	Webster	7,516	Morgantown II
Taylor	14,193	Morgantown II	Jackson	24,065	Parkersburg
Tucker	5,554	Morgantown II	Pleasants	6,363	Parkersburg
Tyler	7,415	Parkersburg	Ritchie	8,452	Parkersburg
Upshur	20,212	Morgantown II	Tyler	7,415	Parkersburg
Wayne	34,965	Huntington	Wirt	4,846	Parkersburg
Webster	7,516	Morgantown II	Wood	72,222	Parkersburg
Wetzel	13,114	Morgantown I	Brooke	19,314	Wheeling
Wirt	4,846	Parkersburg	Hancock	24,793	Wheeling
Wood	72,222	Parkersburg	Marshall	27,060	Wheeling
Wyoming	19,836	Charleston III	Ohio	36,105	Wheeling

12. List supporting documents attached, if any.

See attached.

**VII. Family Tier Structure (45 CFR §147.103(a)(4))
(For states with community rating)**

- 1. Within the individual market, are health insurance issuers in your state required to determine premiums for family coverage by using uniform family tiers and the corresponding multipliers established by the state?**

Yes

No

- 2. If yes, provide details regarding family tiers and corresponding multipliers for the individual market.**

- 3. Within the small group market, are health insurance issuers in your state required to determine premiums for family coverage by using uniform family tiers and the corresponding multipliers established by the state?**

Yes

No

- 4. If yes, provide details regarding family tiers and corresponding multipliers for the small group market.**

- 5. List supporting documents attached, if any.**