



**DATE:** March 4, 2021

**FROM:** Delaware Health Care Commission

**TO:** Highmark Blue Cross Blue Shield Delaware

**SUBJECT:** 2021 Letter to Issuer Participating in the State Reinsurance Program

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The Delaware Health Care Commission (“DHCC”) releases this 2021 Letter to Issuer Participating in the State Reinsurance Program (“Letter”) to provide issuer with operational guidance on meeting State Reinsurance Program (“SRP”) requirements for the 2021 calendar year. Under 16 *Del. C.* § 9903 et seq, the DHCC has statutory authority over the administration and operation of the SRP.

In 2019, Delaware established the SRP, under a State Innovation Waiver, to foment premium stability in the individual market. The SRP is attributed with helping to reduce individual market premiums by 19% in 2020 and 1% in 2021.

In addition to the contents of this Letter, issuer should refer to SRP governing regulations under 23 *DE Reg.* 455 to ensure compliance with SRP requirements. DHCC welcomes public comment on this Letter. Interest parties may submit comment to the DHCC at [DHCC@delaware.gov](mailto:DHCC@delaware.gov). The comment period is open for thirty calendar days following the publication of this Letter.

#### **SECTION 1: STATE REINSURANCE PROGRAM PROCESS STANDARDS**

To support SRP operations under the State Innovation Waiver, the DHCC receives administrative assistance from the Centers for Medicaid & Medicare Services (“CMS”) with the determination of claims payment under established program parameters for a given year. The scope of CMS’ administrative support also includes the execution of the HCRP/SRI command along a set schedule during the plan year.

Under SRP operations, issuers must submit claims data to their EDGE Servers for the determination of payable claims. As such issuers are expected to maintain the same claims data accuracy, timeliness, and completeness standards set under 45 CFR 153.700 – 153.730 and all

relevant HHS Guidance/Technical Instruction, including CMS-EDGE Server Interface Control Document – Risk Adjustment and Reinsurance Addendum.

New in 2021, issuers participating in the SRP shall submit claims periodicity information to the DHCC in a form and manner set by the DHCC. Specifically, the issuer shall submit:

- The date through which claims submitted to the issuer’s EDGE Server have been included in the HCRP/SRI command
- The date through which claims submitted to the issuer’s EDGE Server are final and complete

Such information shall be submitted to the DHCC no later than one week following the execution of the HCRP/SRI command to the issuer’s EDGE Server by CMS.<sup>1</sup> The submission of the issuer’s claim periodicity information will supplement DHCC oversight of the SRP including:

- The accrual of the issuer’s payable reinsurance claims under the program parameters
- Monitoring of expected program payments and estimated revenues into the SRP fund collected under the health insurance assessment in 18 *Del. C. § 8703 et seq.* Annotated Code of DE.

**SECTION 2: 2021 STATE REINSURANCE PROGRAM SCHEDULE**

Important dates for the State Reinsurance Program for the 2021 calendar year may be found in Table 1. The dates included in Table 1 are subject to modification by the DHCC and/or Department of Insurance “(DOI).” Should any dates be shifted, the DHCC and/or DOI will provide written notice to SRP issuers.

**Table 1. 2021 State Reinsurance Program Schedule<sup>23</sup>**

Date	Entity	Event	SRP Year
March 1, 2021	Issuer	Premium assessment under 18 <i>Del. C. § 8703 et seq.</i> paid by applicable health insurance carriers to the Department of Insurance.	2020
March 1, 2021	DHCC	DHCC submits 2021 SRP parameters to CMS for administrative support services.	2021
March 3, 2021	DHCC	DHCC provides data call requirements to the issuer to gather data for determining 2022 SRP parameters for 2022	2022
March 12, 2021	Issuer	Issuer provides data requested in data call	2022
March 31, 2021	Issuer	Issuer interim report “ <i>containing de-identified data from the prior benefit year with claims paid</i> ”	2020

<sup>1</sup> [https://www.regtap.info/uploads/library/2020\\_EDGE\\_Command\\_Deployment\\_Timeline\\_5CR\\_113020.pdf](https://www.regtap.info/uploads/library/2020_EDGE_Command_Deployment_Timeline_5CR_113020.pdf)

<sup>2</sup> <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/Delaware-1332-Waiver-Application-July-10-2019.pdf>

<sup>3</sup> <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Proposed-Key-Dates-Table-for-CY2021.pdf>

		<i>by February 28th, and an estimate of claims payments still outstanding” submitted to DHCC. (23 DE Reg. 455 4.4.1 - 4.4.4)</i>	
April 1, 2021	Treasury	DHCC receipt of <i>passthrough</i> funds for the 2021 SRP year.	2021
April 30, 2021	Issuer	EDGE server data submission deadline	2020
May 2021	DHCC	Engagement with the issuer to gather feedback on preliminary 2022 parameter modeling results	2022
May 2021	CMS	Final SRI summary reports sent to DHCC after completion of final commands and reports.	2020
May 2021	DHCC	Set estimated program parameters for the 2022 State Reinsurance Program.	2022
June 2021	DHCC	State Innovation Waiver Public Forum	2021
June 16, 2021	Issuer	Proposed rate submission for 2022 Qualified Health Plans	2022
June 30, 2021	CMS	2020 Final RA Summary Report	2020
July 7, 2021	Issuer	Issuer notice to DHCC that all 2020 claims have been submitted	2020
<i>Not later than July 31, 2021</i>	DHCC	DHCC reimburses issuers for eligible claims from the 2020 plan year	2020
August 22, 2021	DOI	Final approval of rates for the 2022 plan year	2022
September 30, 2021	Issuer	Submission of <i>2020 State Reinsurance Program Report</i>	2020
October 4-5, 2021	CMS	CMS releases certification notice to issuers and states	2022
November 1, 2021	Issuer	2022 Open Enrollment begins	2022

**SECTION 3: COLLECTION OF THE ASSESSMENT UNDER 18 Del. C. § 8703 et seq.**

Issuers offering health benefit plans subject to the assessment under 16 Del. C. § 9903 et seq are expected to follow all applicable guidance issued by the DOI. The most recent guidance is available at the DOI website [here](#). (Reissued as of December 3, 2020.)

**SECTION 4: ISSUER REINSURANCE CLAIM SUBMISSION NOTICE TO DHCC [23 DE Reg. 455 4.0]**

To initiate the 2020 reinsurance claims payment process under the SRP issuers shall submit formal notice to the DHCC that all applicable 2020 claims have been submitted to their EDGE Server and that all claims are accurate, complete, and compliant with all applicable standards under federal and state rule. The issuer notice shall request that DHCC process the issuer’s submitted reinsurance claims under the applicable 2020 SRP parameters. Further, issuers shall incorporate the information in Table 2 within their Reinsurance Claims Submission Notice to the DHCC.

**Table 2. Issuer Reinsurance Claim Submission Notice Requirements<sup>4</sup>**

Citation	Requirement
<b>23 DE Reg. 455 4.1.1</b>	The name and company code assigned to the reinsurance eligible issuer by the National Association of Insurance Commissioners
<b>23 DE Reg. 455 4.1.2</b>	The identification number assigned to the reinsurance eligible issuer by the DHCC
<b>23 DE Reg. 455 4.1.3</b>	The total amount of the reinsurance eligible issuer’s reinsurance eligible claims for the benefit year
<b>23 DE Reg. 455 4.1.4</b>	The portion of the reinsurance eligible issuer’s total reinsurance eligible claims for the benefit year that fall between the attachment point and reinsurance cap
<b>23 DE Reg. 455 4.1.7</b>	An attestation signed by an executive officer of the reinsurance eligible issuer stating that the information is accurate as of the date of submission
<b>23 DE Reg. 455 4.4</b>	Carriers must return and incorporate an attestation that they meet the submission and data requirements of the State Reinsurance Program through their participation in CMS EDGE Server

Issuers shall submit their notice to DHCC no later than one week following completion of their data submission to EDGE Server. Any delays in notice submissions could affect the timely payment of claims under the SRP.

**SECTION 5: THE 2020 STATE REINSURANCE PROGRAM REPORT**

In this section the DHCC proposes that issuers submit a 2020 State Reinsurance Program Report that will provide summary information on the population with SRP eligible claims experience. Further, the DHCC proposes that the report be made publicly available. The DHCC welcomes comment on the proposed reporting requirements. Table 3 details requirements for the 2020 State Reinsurance Program Report.

**Table 3. 2020 State Reinsurance Program Report Requirements.**

Requirement	Description
Characteristics of issuer population with SRP-eligible claims experience	<p>The issuer shall provide:</p> <ul style="list-style-type: none"> <li>- The proportion of SRP-eligible claims attributed to:               <ol style="list-style-type: none"> <li>1. Acute/emergency care episode</li> <li>2. Chronic Conditions</li> <li>3. COVID-19 Related Claims</li> </ol> </li> <li>- The proportion of the population with SRP-eligible claims:               <ol style="list-style-type: none"> <li>1. Experienced an acute/emergency episode with claims costs that met SRP program parameters</li> </ol> </li> </ul>

<sup>4</sup> <https://regulations.delaware.gov/register/december2019/final/23%20DE%20Reg%20455%2012-01-19.htm>

Requirement	Description
	<ul style="list-style-type: none"> <li>2. With a chronic condition</li> <li>3. With claims primarily driven by COVID-19 care</li> <li>- The dollar amount (\$) of SRP payments received by the issuer attributed to: <ul style="list-style-type: none"> <li>1. Acute/emergency care episode</li> <li>2. Care for chronic conditions</li> <li>3. COVID-19 related care</li> </ul> </li> <li>- The proportion of the population with SRP-eligible claims stratified by: <ul style="list-style-type: none"> <li>1. On-Exchange/Off-Exchange</li> <li>2. Metal Level (include Silver Cost-Sharing Reduction Variants)</li> <li>3. Age Category (0 – 18, 19 – 35, 36 – 45, 46 – 55, &amp; 56 – 65+)</li> </ul> </li> </ul>
<p>Characteristics of issuer population with SRP-eligible claims experience primarily attributed to care for a chronic condition</p>	<p>The issuer shall provide:</p> <ul style="list-style-type: none"> <li>- The proportion of the five most prevalent chronic conditions within the SRP-claims eligible population</li> <li>- The proportion, across the populations identified above, participating in a care management program that facilitates coordination in the treatment of chronic disease</li> </ul>

The DHCC proposes that issuers submit the 2020 State Reinsurance Program Report no later than September 30, 2021. The DHCC is also collecting comment on the proposed submission date.