

2009 Medicare Supplement Insurance Consumer Rate Guide MedSup/RG - 2009

STATISTICAL PLAN

INTRODUCTION

This is a statistical plan for the MedSup/RG - 2009 Data Call. This document contains the reporting requirements, due dates and related information needed to complete your company's reporting obligations under California Insurance Code Section 10192.20 (d) and Health & Safety Code Sections 1346 & 1384.

The statistical plan contains nine sections. These sections are outlined below:

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A. SCOPE OF STUDY

This study is applicable to:

- All insurers licensed, by the California Department of Insurance, to write business in class 06, Disability lines.
- All service health plan providers under the jurisdiction of the California Department of Managed Health Care.

California Department of Insurance Jurisdiction:

The State of California requires that every insurer, licensed to write Medicare supplement insurance and Medicare supplement contracts (class 06, Disability business), maintain and report its data to the Insurance Commissioner following California Insurance Code Section (CICS) 10192.20(d)* and Senate Bill 1814.

Pursuant to CICS 10192.20(d)*

The commissioner each year shall prepare a rate guide for Medicare supplement insurance and Medicare supplement contracts. The rate guide shall be made available on or before the fall Medicare annual open enrollment. The rate guide shall include all of the following for each company that sells Medicare supplement insurance or Medicare supplement contracts in California:

- Listing of all the policies, plans A through L, that are available from the company.
- Listing of all the policies, plans A through L, for Medicare beneficiaries under the age of 65 that are available from the company.
- The toll-free telephone number of the company that consumers can use to obtain information from the company.
- Sample rates for each policy listed pursuant to paragraphs (1) and (2). The sample rates shall be for ages 0-65, 65, 70, 75, and 80.
- The premium rate methodology for each policy listed pursuant to paragraphs (1) and (2). "Premium rate methodology" means attained age, issue age, or community rated.
- The waiting period for pre-existing conditions for each policy listed pursuant to paragraphs (1) and (2).

California Department of Managed Health Care Jurisdiction:

To obtain a complete picture of the Medicare supplement market, the CDI will work with the assistance of the California Department of Managed Health Care (DMHC) to complete the Medicare Supplement Rate Guide mandated by CICS 10192.20(d) and SB 1814.

Pursuant to Health & Safety Code Sections 1346. Power of Director.

- (a) The director shall administer and enforce this chapter and shall have the following powers:
- (3) Assist, advise, and cooperate with federal, state, and local agencies and officials to protect and promote the interests of plans, subscribers, enrollees, and the public.
- (5) Hold public hearings, subpoena witnesses, take testimony, compel the production of books, papers, documents, and other evidence, and call upon other state agencies for information to implement the purposes, and enforce this chapter.

Pursuant to Health & Safety Code Section 1384. Audit Reports.

- (d) A plan, solicitor, or solicitor firm shall make any special reports to the director as the director may from time to time require.

B. GENERAL RULES

EXPERIENCE PERIOD:

Premiums provided are to be as of **September 1, 2009**. That is, your premiums provided should be as current as you expect to be charging by the Fall Medicare annual open enrollment. **Rates provided should be approved rates**. If not approved by the time of the data submission, submit the most current approved rates.

WHO MUST FILE:

All insurers **offering** Medicare supplement insurance and Medicare supplement contracts (class 06, Disability lines) in California, and under the jurisdiction of the CDI, as well as all full service health plan providers, under the jurisdiction of the DMHC, who are licensed to provide Medicare supplement coverage.

Companies **NOT OFFERING** Medicare supplement insurance in California at this time **DO NOT need to complete the data workbook (MedSupRG-2009.xls)**. **Simply, complete and submit the Acknowledgement Form by MARCH 16, 2009.**

Insurers and service health providers who file a **consolidated annual statement**, as a group of companies **may not submit consolidated experience**. If a group has two or more companies writing Medicare supplement policies, a separate company acknowledgment and data must be submitted for each company.

PENALTIES FOR NON-COMPLIANCE:

Companies that fail to submit a completed MedSup/RG - 2009 Acknowledgement of Receipt Form and MedSup/RG - 2009 Data Workbook (if applicable) by the due date requested, will be considered in non-compliance with California Insurance Code Section 700 (c) and will be referred to the Department's Legal Division for further action. Non-compliant companies will also be referred to the Field Rating & Underwriting Bureau who will collect the required data and bill the time required for examination at the company's expense pursuant to CIC 1857.4.

INDIVIDUAL COMPANY SUBMISSIONS ONLY – NO GROUP SUBMISSIONS:

Insurers who file a consolidated annual statement **may not** submit consolidated experience. This data call is to be reported on a company by company basis.

RE-SUBMISSIONS:

Submissions that do not pass the Department's validating tests will be returned to the company for corrections. No more than **one (1)** re-submission is acceptable. The company will be allowed **5 working days** to resubmit its data to the Department.

VALIDATING PROCEDURE:

Companies should establish their own validating programs and procedures to detect errors.

All data will be tested for accuracy and reasonability. Rejected data will be returned to the company for correction and resubmission. *If the company believes that the data is correct as submitted, it must provide an explanation in writing.*

C. PROPRIETARY POLICY

As a general rule, all data submitted to the California Department of Insurance (CDI) Statistical Analysis Division is deemed to be proprietary in nature and treated as confidential. Data will only be released in the aggregate so no individual company experience is revealed, unless;

- a. Mandated by California Insurance Code or California Code of Regulations.
- b. Requested by other CDI Units for internal use, but continue to maintain confidentiality.
- c. Ordered by the Insurance Commissioner or Legislative Insurance Committee in the public interest, and does not conflict with proprietary protection under current law.

D. REPORTING DUE DATES

- ***MedSup/RG - 2009 Acknowledgement Form:*** **DUE MARCH 16, 2009**

IMPORTANT Regardless of your reporting experience, the **ACKNOWLEDGEMENT FORM (excel version) MUST BE SUBMITTED ELECTRONICALLY NO LATER THAN MARCH 16, 2009 TO submissions@insurance.ca.gov**. We **will not accept** scanned copies, photo copies or “pdf” documents in lieu of the original excel file format.

- ***MedSup/RG - 2009 Data Workbook:*** **DUE APRIL 27, 2009**

Your MedSup/RG-2009 Data Workbook must be received no later than April 27, 2009. Transmit the filing electronically to submissions@insurance.ca.gov.

- ***MedSup/RG - 2009 Affidavit Form:*** **DUE APRIL 27, 2009**

The affidavit form must be signed and notarized to confirm the validity of the data workbook. As an alternative to mailing or faxing the Affidavit Form, you may e-mail it (*preferred method*). Note that if you are scanning the original, an *imprint seal* may not appear on the scanned copy. We suggest that you take a lead pencil and lightly brush over the imprint seal on the original copy to allow the seal to appear on the scanned copy. If the notary’s seal is visible on the scanned copy (saved in the Adobe format), you may e-mail it to submissions@insurance.ca.gov as an attachment.

- ***Requests for extensions in reporting:*** **BY APRIL 10, 2009**

Requests for extensions in reporting the MedSup/RG 2009 Data Workbook must be received no later than April 10, 2009. All extension requests should be in writing and must be sent by e-mail to Erlinda Hayin at hayine@insurance.ca.gov.

E. RETRIEVING THE MEDICARE SUPPLEMENT RATE GUIDE DATA CALL PACKAGE FROM THE INTERNET

To retrieve the MedSup/RG - 2009 Data Call Package (Acknowledgement of Receipt Form, Statistical Plan, Data Workbook and the Affidavit Form), please follow the instructions below:

- Go to the Department of Insurance website at <http://www.insurance.ca.gov>
- Select **INSURERS** page.
- From the **INSURERS** page, select **DATA & REPORTS** link on the left-hand column.
- Select **STATISTICAL PLANS** and then **Reporting Year 2009 Statistical Plans** link.
- A message will appear requesting a user name and password. Enter the following:
User Name: **GOTNUMBERS09** (case sensitive)
Password: **STAT2009** (case sensitive)
- Select **Medicare Supplement –Rate Guide (MedSup/RG-2009)**.
- From the MedSup/RG-2009 site, you can retrieve:
 - ***MedSup/RG-2009 Acknowledgement Form*** (due – MARCH 16, 2009)
 - ***MedSup/RG-2009 Data Workbook*** (due – APRIL 27, 2009)
 - ***MedSup/RG-2009 Statistical Plan*** – Contains detailed instructions on how to complete the MedSup/RG - 2009 Data Workbook.
 - ***MedSup/RG-2009 Affidavit Form*** – (due APRIL 27, 2009)

F. METHOD OF REPORTING

- The MedSup/RG-2009 Data Workbook is available on the Internet (see Section E for retrieval instructions).
- For efficient and quick response, we request companies to submit the MedSup/RG-2009 Data Workbook via e-mail attachment to:
submissions@insurance.ca.gov
- For your convenience, we have included a macro that will automatically send your completed data workbook to the California Department of Insurance. Click on the “**Company Contact Worksheet**” and *scroll down to the bottom of the worksheet*. The instructions for sending your completed data workbook can be found in the section entitled: “**Complete the attached worksheets and E-Mail This Form to CDI**”.

NOTE: A printed “hard copy” WILL NOT BE ACCEPTED by the Department. If you are unable to process an Excel 97 file, please contact this office for further instructions (Section G).

AFFIDAVIT FORM – Mandated legislative filings must be submitted with an affidavit completed and signed under oath before a notary public. Submit this form via mail to the address listed in Section G.

G. CDI AND DMHC CONTACT INFORMATION

If you have an *extension request*, and/or *questions related to the Statistical Plan or programming of the Transmittal Forms*, please address your inquiries or concerns to the contact persons indicated below. Requests for an extension should be in writing (via e-mail listed below).

Leo Lara
Project Supervisor, Life & Health Studies
California Department of Insurance
Statistical Analysis Division
300 South Spring Street, 14th Floor
Los Angeles, CA 90013
laraL@insurance.ca.gov
Tel: (213) 346-6474
Fax: (213) 897-6571

Erlinda Hayin
MedSup/RG Team Leader
California Department of Insurance
Statistical Analysis Division
300 South Spring Street, 14th Floor
Los Angeles, CA 90013
hayine@insurance.ca.gov
Tel: (213) 346-6311
Fax: (213) 897-6571

Companies under the jurisdiction of the Department of Managed Health Care may have questions and concerns that can best be addressed by the DMHC. If your company is under DMHC jurisdiction and your question relates to the Statistical Plan or programming of the Transmittal Forms, you should contact Leo Lara as noted above. For other questions relating to Medicare supplement contracts and compliance with the Knox-Keene Act of 1975, as amended, please contact:

DEPARTMENT OF MANAGED HEALTH CARE
Licensing Division
Attn: Government Team
980 Ninth Street, Suite 500
Sacramento, CA 95814
Tel: (916) 324-9046
DMHC Web Site: www.dmhc.ca.gov

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK

The purpose of this section is to provide you with the reporting instructions necessary for completing the MedSup/RG-2009 Data “Workbook” in MS Excel 97.

The Data Workbook is the primary element of the MedSup/RG – 2009 submission. Within the workbook, you will find three worksheets. These worksheets are as follows:

- Company Information Worksheet – *Co Information*.
- Policy Plan Worksheet - *Policy Plans*.
- Sample Rates & Rating Methodology Worksheet – *Sample Rates*.

Upon accessing the data workbook on the Department’s Internet website (see Section E), you can move from worksheet to worksheet by clicking the worksheet “tabs” at the bottom of your screen or clicking the “Next Page” button at the top of the worksheet. Complete all the worksheets provided. If your company cannot read or load the MS Excel 97 workbook, please contact the Department of Insurance contact person listed in Section G of this statistical plan.

SYSTEMS REQUIREMENTS

In order to complete this filing:

1. You will first need to retrieve the data workbook, from the CDI website, requiring:
 - **Internet Explorer Version 5** or
 - **Netscape Navigator**See the section below entitled, **Opening File From Department Web Site**, which outlines some of the varying messages and/or procedures you may encounter when using *Internet Explorer* as opposed to *Netscape Navigator*. It is possible to retrieve the Transmittal Form using either version.
2. Secondly, you will also need to complete this form in:
 - **Microsoft Excel 97 or higher** – The transmittal forms will only run on Microsoft Excel 97 or higher. If you are experiencing difficulty in opening the transmittal files, please contact Erlinda Hayin via e-mail at: hayine@insurance.ca.gov.

OPENING FILE FROM DEPARTMENT WEBSITE

Upon entering the MEDSUP/RG – 2009 website, (see Section E for instructions on accessing the site), click on the Transmittal Forms box to bring up the Excel workbook file, *MedSupRG-2009.xls*.

You may see different messages appear when using *Internet Explorer* or *Netscape Navigator* to access the Transmittal Forms. **Please refer to the appropriate sections below to SAVE the transmittal data to your local drive or a diskette before starting your data entry.**

1. **If You Are Using Internet Explorer Version 5 –**
 - A message will be displayed...*Microsoft Excel...The Workbook you are opening contains Macros...*
 - Select **Yes**. *Enables the macros that are needed to run the workbook. Calculations have been programmed and are automatic once data are provided.*

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued...)

To *save* the file to a diskette after retrieving file from the Department website, is indicated in Section E.

- At the **TOP LEFT-HAND** corner of the MEDSUP/RG - 2009 Excel worksheet, **CLICK** on the button labeled “**DOWNLOAD DATA WORKBOOK**” .
 - Select the *path* where you wish to save file. If you are planning to save this file to a DISKETTE, choose the “a:\” drive, otherwise, choose “c:\” for your hard-drive.
 - Under **FILE NAME** type *MedSupRG-2009.xls*
 - Select **SAVE**.
 - Go to STEP 3 below and begin entering data.
2. **If You Are Using Netscape Navigator –**
- A message will be displayed...
 - Select **SAVE TO DISK** and choose the path where you would like to save your file.
 - Under **FILE NAME** type *MedSupRG-2009.xls*.
 - Select **SAVE**.
 - **EXIT** Internet
 - Proceed to STEP 3 below.
3. **AFTER YOU HAVE DOWNLOADED FILE - Retrieve file by using Microsoft Excel (97 or higher versions) and proceed with data entry**
- **OPEN** MS Excel (version 1997 or higher).
 - From Excel, **RETRIEVE** and **OPEN** the file (MedSupRG-2009.xls) from where you have saved it. When opening the file, a dialog box will appear on the screen asking if you wish to *enable macros*.
 - Select ***Enable Macros***.
 - Complete the form using Microsoft Excel (Office 97 version or higher).
 - Submit as an Excel attachment to the e-mail address listed in Section F, Method of Reporting.

ENTERING DATA: As stated in the beginning of Section H, the Excel workbook has a number of worksheets. The workbook should automatically open to the Company Information Worksheet. If not, simply click on the worksheet entitled, “COMPANY INFORMATION WORKSHEET”. **IMPORTANT:** **Be sure that your company’s contact information is filled out completely.**

Continue entering the appropriate data, as requested by each worksheet. To move from worksheet to worksheet, click the worksheet tabs at the bottom of your screen.

VALIDATE and confirm your entries.

SAVE: Save the entire workbook on diskette or on your hard drive. If unable to submit data to this Department via the desired e-mail method, contact the CDI Contact Person listed in Section G of this statistical plan.

H. INSTRUCTIONS FOR COMPLETING THE DATA WORKBOOK (continued...)

SUBMISSION OF DATA: Submit your completed data workbook to the California Department of Insurance as explained under Method of Reporting in Section F of this statistical plan. *A completed MEDSUP/RG - 2009 filing consists of a completed data workbook and a notarized affidavit.*

IMPORTANT: As discussed in Section F of this Statistical Plan, a completed and notarized AFFIDAVIT Form must be submitted in conjunction with your electronic submission of the data workbook, and must be mailed to the Department (see CDI address in Section G).

I. EXPLANATIONS OF EACH MEDSUP/RG-2009 WORKSHEET

Company Info Worksheet:

This worksheet requests your company's name and contact information. This will include company's NAIC number or DMHC Company Number and mailing address, as well as detailed contact information such as e-mail address and fax number.

It is also required that you provide a public access phone number, such as a customer service "800" number. This number will be provided to the public in our published rate guide.

Policy Plan Worksheet:

This worksheet satisfies the reporting requirement, pursuant to CIC 10192.20 that mandates that each insurer of Medicare supplement insurance provide:

- A listing of all the policies, plans A through L, that are available from the company.
- A listing of all the policies, plans A through L, for Medicare beneficiaries who are *64 years of age or younger** that are available from the company. Boxes have been provided to you to indicate an "X" for each of the applicable categories.

** California Insurance Code Section 10192.11(a) requires all carriers currently marketing Medicare Supplement policies to make available plans A, B, C, F, and at least one letter-designated plan (H, I or J, at the discretion of the issuer) to Medicare beneficiaries who are 64 years of age or younger. Commencing January 1, 2007, shall make available to them Medicare supplement benefit plan K or L, if currently available. The selection among Medicare supplement plan H, I, or J and the selection between Medicare supplement benefit plan K or L shall be made at the issuer's discretion.*

I. EXPLANATIONS OF EACH MEDSUP/RG-2009 WORKSHEET (continued...)

Sample Rate & Rating

Methodology Worksheet:

The final worksheet, Sample Rates & Rating Methodology Worksheet, requests the sample rates for policy Plans A through L, available from your company for Medicare Supplement beneficiaries:

- ages 64 and younger, and
- ages 65, 70, 75 and 80 only.

Since your company may charge different premiums based on where the Medicare Supplement beneficiary lives, you must specify, in the box provided on this worksheet, the “region” the below listed rates represent. For example, identify the region by the first three digits of the ZIP codes for that region (i.e., Region 1 ZIP codes: 920-921, 930-934, 936-944, 949-961).

OVERLAPING ZIP CODES: If the first three digits of any ZIP code overlaps between regions, then all five digits of all ZIP codes in that region must be specified. For example, if the first three digits of ZIP “935” overlap in your Region 1 and in Region 2, then indicate all five digit ZIP codes for both regions separately. There is enough room in the cell provided below to indicate as many ZIP codes as necessary to define a region; even though you may not be able to view all the data on screen. If you choose, you may also provide all five digit ZIP codes for each region on a separate attachment in Excel. This is also explained on a pop-up explanation on the new MedSup/RG-2009 Excel Workbook. Simply place your mouse over the EXPLANATION box.

This worksheet also requests the:

- **Waiting Period for Pre-existing Conditions** (indicate the number of days).
- **Rating Methodology** by:
 - Attained Age (AA).
 - Issue Age (IA).
 - Community Rated (CR).

IMPORTANT!

In order to determine if the rates submitted are for Individuals, Groups and/or Special Programs, please be sure to **check the appropriate the box, which represents the type of rates your company is providing on this [the current] worksheet.** These boxes are located at the top right-hand corner of each rate worksheet.

Indicate whether:

- **Individual Rates** – rate are available to individuals only.
- **Group Rates** – rates are available to groups only.
- **Special Program* Rates** (provide explanation on a separate attachment).

* Special program refers to programs that would not be available to the general public.

I. EXPLANATIONS OF EACH MEDSUP/RG-2009 WORKSHEET (continued...)

Sample Rate & Rating Methodology Worksheet (continued...)

Rates for Male and Female: We understand that your company may have the same rates for both Male and Female. However, please complete both the Male and Female columns, even if rates are the same.

Rating Bases: Your company should base all rates for *Non-smokers*.

IMPORTANT: Adding Additional Sample Rate Worksheets: Only fill out one table per region. There is an, **ADD RATES** button at the top of this worksheet to add additional Sample Rate Worksheets for as many regions as your company has in California. Upon clicking the **ADD RATES** button, another blank Sample Rates Worksheet will appear. Proceed to identify the region by ZIP code and provide the corresponding rate, waiting period for pre-existing conditions and rating methodology.