Alabama Department of Insurance
Health Insurance Premium Review (Cycle 1) Workplan 2010

GOAL 1: ESTABLISH RATE REVIEW AND APPROVAL AUTHORITY

Results or benefits expected:

(1) The DOI will have obtained, through passage of appropriate legislation, the authority to review and approve, disapprove or request a modification of initial rates and rate changes and determine that those rates and rate changes are in accordance with Alabama laws and regulations and the Affordable Care Act.
(2) Based upon changes in the law, the DOI will have the authority to review rate information provided by the companies and review experience to determine whether rebates are payable.

Objectives

1. Develop and pass legislation in 2011 granting the DOI rate review and approval authority for health insurance affected by the Affordable Care Act.

Objectives	Activities	Person Responsible	Time Period begin	Time Period End	Non-salary personnel hours
Develop and pass legislation in 2011 granting the DOI rate review and approval authority for health insurance affected by the Affordable Care Act.	1. Write rough draft of legislation.	Consulting actuary, Attorney/Assistant Project Director, Project Director	August, 2010	September, 2010	
	2. Identify key stakeholders who have vested interest in legislation.	Consulting actuary, Attorney/Assistant Project Director, Project Director, Governmental Affairs Manager, Commissioner	August, 2010	September, 2010	
	3. Schedule and hold series of meetings to finalize the legislation (incorporates key stakeholders).	Project Director, Governmental Affairs Manager	September, 2010	November, 2010	

	4. Finalize legislation.	Consulting actuary, Attorney/Assistant Project Director, Project Director, Governmental Affairs Manager	November, 2010	November, 2010	
	5. Find Legislative sponsors to introduce and support legislation.	Governmental Affairs Manager	November, 2010	November, 2010	
	6. Develop unified message to encourage passage.	Communications specialist, Governmental Affairs Manager	September, 2010	November, 2010	
	7. Identify, schedule, and attend events to enhance the public awareness of the need for regulatory authority.	Communications manager, Project Director, Attorney/Assistant Project Director, Commissioner, Governmental Affairs Manager	January, 2011	May, 2011	
	8. Educate state legislators utilizing key stakeholders on proposed legislation.	Governmental Affairs Manager	November, 2010	May, 2011	

GOAL 2: STANDARDIZE RATE REVIEW, APPROVAL AND INFORMATION SUBMISSION

Results or benefits expected:

(1) Health Section in the DOI Rates and Form Section created.
(2) Standardized filing formats will be developed.
(3) The DOI will have developed policies and procedures, including regulations and necessary bulletins, to implement this new rate review and approval authority.
(4) The DOI will have developed mechanisms to ensure the public disclosure of the initial rates and rate changes through advance notification of those rate increases to consumers.
(5) Information technology systems will be enhanced, upgraded and developed to assist in the rate review and approval process.
(6) Examination procedures will be developed for examining initial rates submitted by companies and the subsequent rate filings submitted by companies.

Objectives:

1. Create a Health Section, including hiring appropriate staff.
2. Create standard filing formats to ensure consistency with submissions and review.
3. Write and promulgate regulations to implement rate review and approval authority.
4. Develop internal policies and procedures regarding rate review and approval.
5. Write bulletins, if necessary, to clarify DOI policies and procedures regarding rate review and approval.
6. Design information technology systems to assist in the rate review process and disseminate information to consumers.
7. Develop procedures for examinations and conduct examinations of companies as necessary to ensure compliance with the Affordable Care Act and state law.

Objectives	Activities	Position Responsible	Time Period Begin	Time Period End	Non-salary Personnel Hours
Create a Health Section,	1. Hire communications	Commissioner or	August, 2010	Until	

including hiring appropriate staff	specialist. 2. Increase consulting actuary contract to reflect increased needs. 3. Hire consumer services specialist.	his designee		completed	
Create standard filing formats to ensure consistency with submissions and review.	1. Write and create standardized filing formats. 2. Work with NAIC to develop checklist for SERFF filings.	Project director, Consulting Actuary Project director	August, 2010 August, 2010	January, 2011 January, 2011	
Write and promulgate regulations to implement rate review and approval authority.	1. Determine what regulations for rate review and approval need to be written, modified or rescinded and prepare said regulations. 2. Upon passage of required legal authority, promulgate draft regulations with ample time for comment and adoption.	Project Director; Attorney/Assistant Project Director; Consulting Actuary Project Director; Attorney/Assistant Project Director; Consulting Actuary	August, 2010 March, 2011	December, 2010 July, 2011	
Develop internal policies	1. Create	Project Director,	August, 2010	December,	

and procedures regarding rate review and approval.	methodologies for reviewing rates and rate increases.	Attorney/Assistant Project Director, Consulting Actuary		2010	
Write bulletins, if necessary, to clarify DOI policies and procedures regarding rate review and approval.	1. As project implementation progresses, utilize bulletins to inform companies of requirements.	Project Director, Attorney/Assistant Project Director, Consulting Actuary	August, 2010	September, 2011	
Design information technology systems to assist in the rate review process and disseminate information to consumers.	1. Analyze current systems to determine what changes or upgrades need to be done.	Project Director, Consulting Actuary, IT staff	August, 2010	September, 2010	
	2. Determine how to facilitate and compile information including rate filing material from insurers utilizing SERFF and other existing systems.	Project Director, Consulting Actuary, IT staff	September, 2010	November, 2010	
	3. Determine how to transmit and share data with HHS and consumers utilizing SERFF and other systems.	Project Director, Consulting Actuary, IT staff	September, 2010	November, 2010	
	4. Build required crosswalks between systems to automate information and data sharing, including	Project Director, Consulting Actuary, IT staff, Communications specialist	November, 2010	December, 2010	

	publication on DOI website.				
Develop procedures for examinations and conduct examinations of companies as necessary to ensure compliance with the Affordable Care Act and state law.	1. Develop Examination Procedures. 2. Schedule and conduct initial examinations. 3. Subsequent market conduct and rate review examinations conducted as filed.	Project Director, Examiners, Consulting Actuary,	August, 2010 September, 2010 January, 2011	August, 2010 December, 2010 September, 2011	

GOAL 3: DEVELOP PUBLIC AWARENESS, BUILD COALITIONS, AND STRENGTHEN GRASSROOTS SUPPORT

Results or benefits expected:

(1) New local and state partnerships will be developed, and existing partnerships will be strengthened in order to encourage passage of rate review and approval legislation.
(2) Informational toolkits featuring quick reference information for Alabama consumers will be available.
(3) News releases and public service announcements on Affordable Care Act reforms, premium information and rate structures as well as announcing resources to assist Alabama consumers will be disseminated.
(4) Educational presentations for town hall meetings, editorial boards and other coalition partners will be created.
(5) Subject matter experts to assist consumers and handle increased call volume for information requests on the Affordable Care Act will be trained and available.
(6) Website upgrades will house rate information and easy-to-understand explanations regarding rates and other aspects of the Affordable Care Act.

Objectives:

1. Develop local and state partnerships which can be used to disseminate information on the Affordable Care Act and increase support for DOI initiatives.
2. Develop informational toolkits, frequently asked questions, news releases and public service announcements to explain the Affordable Care Act regarding premium rates.
3. Develop and schedule educational presentations for town hall meetings, editorial boards and other interested parties.
4. Hire and train an experienced consumer service specialist and a communications specialist to serve as subject matter experts.
5. Redesign and enhance the DOI website to house Affordable Care Act information.

Objectives	Activities	Position Responsible	Time period begin	Time period end	Non-salary personnel hours
Develop local and state partnerships which can be used to disseminate information on the Affordable Care Act and increase support for DOI initiatives.	1. Identify various key partners such as Chambers of Commerce, local chapter of the National Federation of Independent Business,	Project Director; Communications Specialist, Governmental Affairs Manager	August, 2010	Ongoing	

	Business Council of Alabama, local community leadership (including Rotary Club, Lions Club, etc.). 2. Schedule and hold meetings with key partners as necessary to achieve objectives. 3. Participate in key partners meetings and conferences in order to educate and inform members and consumers on how the DOI can assist consumers.		August, 2010 November, 2010	Ongoing Ongoing	
Develop informational toolkits, frequently asked questions, news releases and public service announcements to explain the Affordable Care Act regarding premium rates.	1. Design toolkits, news releases and public service announcements to inform the public about the Affordable Care Act and the rating procedures. 2. Create FAQs for dissemination and to assist consumer services call center. 3. Update as necessary.	Project Director, Communications Specialist, Governmental Affairs Manager	September, 2010 September, 2010 October, 2010	October, 2010 October, 2010 Ongoing	
Develop educational presentations for town hall meetings, editorial boards and other interested parties.	1. Design educational materials to disseminate information about the	Project Director, Communications Specialist,	September, 2010	October, 2010	

	Affordable Care Act and the rating procedures for use in town hall meetings and editorial board education. 2. Scripts would be developed for the most commonly asked questions about the Affordable Care Act and the rating procedures. 3. Participate with the partners in presenting the educational materials to the public.	Governmental Affairs Manager	 October, 2010 October, 2010	 Ongoing Ongoing	
Hire and train an experienced consumer service specialist and a communications specialist to serve as subject matter experts.	1. Hire additional staff who would have knowledge of the health care industry and that would be able to clearly and concisely explain the various aspects of the Affordable Care Act. 2. Provide ongoing training as necessary.	Commissioner of Insurance Project Director, Attorney/Assistant Project Director	August, 2010 September, 2010	September, 2010 Ongoing	
Redesign and enhance the DOI website to house Affordable Care Act information.	1. Review existing information on the DOI sites (www.aldoi.gov and www.healthinsurance.gov) for health insurance and appropriateness.	Project director, Attorney/Assistant Project Director, communications specialist, consumer	October, 2010	October, 2010	

	Consolidate and merge the two websites.	services specialist, IT staff			
	2. Update existing health information to reflect the Affordable Care Act provisions.		November, 2010	November, 2010	
	3. Redesign the website to make the site user friendly. Upgrade content management system.		September, 2010	December, 2010	
	4. Build crossover from DOI systems and SERFF to publish rate information on the website.		September, 2010	December, 2010	

PROJECT ABSTRACT

The Alabama Department of Insurance is pleased to submit the following grant application to prepare the state for implementation of the Affordable Care Act and enhance health insurance rate reviews. In order to accomplish the goal of effectively positioning the Department for future implementation, the Department has created three main objectives: (1) establish rate review and approval authority; (2) standardize rate review, approval and information submission; and (3) develop public awareness, build coalitions and strengthen grassroots support. The Department has significant challenges as it currently does not have rate review and approval authority and must obtain such statutory authority in order to better serve Alabamians. The Department anticipates that it will:

- Develop laws, regulations, policies and procedures to implement requirements of the Affordable Care Act.
- Develop standardization regarding filings, rate reviews, approval and information submissions.
- Foster transparency in rate filings and rate reviews.
- Conduct examinations of companies to ensure premium rates are adequate, not excessive or unfairly discriminatory.
- Develop and upgrade existing information technology infrastructure to assist in rate reviews and public disclosure while maintaining internal security measures.
- Redesign DOI website to act as the central repository of company rate information and data.
- Increase public awareness, build coalitions and develop grassroots support for Department initiatives as they relate to the Affordable Care Act through media outreach, external message development, publication dissemination and enhancing existing website to assist consumers.

In order to accomplish these initiatives, the DOI anticipates utilizing approximately $1 million in grant funds to create a Health Section within the agency which would include the project director, the assistant project director, two examiners, increased contractual actuarial support, a consumer services specialist, a communications professional, legal support, and information technology expertise. Training costs as well as travel expenses and fringe benefits for the grant staff will be included in the budget. In addition, website upgrades, publication production and dissemination, and town hall meetings for public education are also included in the budget.

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Grant Application Package

Opportunity Title:	"Grants to States for Health Insurance Premium Review-C
Offering Agency:	Ofc of Consumer Information & Insurance Oversight
CFDA Number:	93.511
CFDA Description:	Affordable Care Act (ACA) Grants to States for Health I
Opportunity Number:	RFA-FD-10-999
Competition ID:	ADOBE-FORMS-B
Opportunity Open Date:	06/07/2010
Opportunity Close Date:	07/07/2010
Agency Contact:	Gladys Melendez-Bohler Grant Specialist E-mail: Gladys.Melendez-Bohler@fda.hhs.gov Phone: 301-827-7168

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

☐ **This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.**

*** Application Filing Name:** Alabama Department of Insurance

Mandatory Documents

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

Optional Documents

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

Instructions

1 **Enter a name for the application in the Application Filing Name field.**

- This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
- You can save your application at any time by clicking the "Save" button at the top of your screen.
- The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.

2 **Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.**

- It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.

- The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".

- To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.

- All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.

3 **Click the "Save & Submit" button to submit your application to Grants.gov.**

- Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
- Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
- The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
- You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

OMB Number: 4040-0004
Expiration Date: 03/31/2012

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:
06/30/2010	

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:	Alabama Department of Insurance
* b. Employer/Taxpayer Identification Number (EIN/TIN):	636000619
* c. Organizational DUNS:	8375444930000

d. Address:

* Street1:	201 Monroe Street Ste 502
Street2:	P O Box 303351
* City:	Montgomery
County/Parish:	Montgomery
* State:	AL: Alabama
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	36130-3351

e. Organizational Unit:

Department Name:	Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	Mr.	* First Name:	Robert
Middle Name:	P		
* Last Name:	Turner		
Suffix:			

Title:	Insurance Rate Analyst II
Organizational Affiliation:	
* Telephone Number:	334-241-4190
Fax Number:	334-240-4409
* Email:	robert.turner@insurance.alabama.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.511

CFDA Title:

Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

*** 12. Funding Opportunity Number:**

RFA-FD-10-999

* Title:

"Grants to States for Health Insurance Premium Review-Cycle I" Office of Consumer Information and Insurance Oversight (OCIIO)

13. Competition Identification Number:

ADOBE-FORMS-B

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Premium Review Grant

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: AL-002 b. Program/Project: AL-all

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 08/09/2010 * b. End Date: 09/30/2011

18. Estimated Funding ($):

* a. Federal	1,000,000.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	1,000,000.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr. * First Name: Robert

Middle Name: P

* Last Name: Turner

Suffix:

* Title: Insurance Rate Analyst II

* Telephone Number: 334-241-4190 Fax Number: 334-240-4409

* Email: robert.turner@insurance.alabama.gov

* Signature of Authorized Representative: Robert Turner * Date Signed: 06/30/2010

OMB Number: 4040-0003
Expiration Date: 7/30/2011

Key Contacts Form

*** Applicant Organization Name:**

Alabama Department of Insurance

Enter the individual's role on the project (e.g., project manager, fiscal contact).

*** Contact 1 Project Role:** Project Director

Prefix: Mr.

* First Name: Robert

Middle Name: P

* Last Name: Turner

Suffix:

Title: Insurance Rate Analyst II

Organizational Affiliation:

Alabama Department of Insurance

* Street1: 201 Monroe Street St 502

Street2: P O Box 303351

* City: Montgomery

County: Montgomery

* State: AL: Alabama

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 36130-3351

* Telephone Number: 334-241-4190

Fax: 334-240-4409

* Email: robert.turner@insurance.alabama.gov

Delete Entry | Previous Person | Next Person

OMB Number: 4040-0003
Expiration Date: 7/30/2011

Key Contacts Form

*** Applicant Organization Name:**

Alabama Department of Insurance

Enter the individual's role on the project (e.g., project manager, fiscal contact).

*** Contact 2 Project Role:** Fiscal Contact

Prefix:	Ms.
* First Name:	Audrey
Middle Name:	J
* Last Name:	Griffin
Suffix:	
Title:	Accounting Manager

Organizational Affiliation:

Alabama Department of Insurance

* Street1:	201 Monroe Street St 502
Street2:	P O Box 303351
* City:	Montgomery
County:	Montgomery
* State:	AL: Alabama
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	36130-3351
* Telephone Number:	334-241-4183
Fax:	334-241-4110
* Email:	audrey.griffin@insurance.alabama.gov

Delete Entry | Previous Person | Next Person

OMB Number: 4040-0010
Expiration Date: 08/31/2011

Project/Performance Site Location(s)

Project/Performance Site Primary Location ☐ I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name: Alabama Department of Insurance

DUNS Number: 8375444930000

* Street1: 201 Monroe Street St 502

Street2: P O Box 303351

* City: Montgomery County: Montgomery

* State: AL: Alabama

Province:

* Country: USA: UNITED STATES

* ZIP / Postal Code: 36130-3351 * Project/ Performance Site Congressional District: AL-all

Project/Performance Site Location 1 ☐ I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country: USA: UNITED STATES

* ZIP / Postal Code: * Project/ Performance Site Congressional District:

Additional Location(s) Add Attachment Delete Attachment View Attachment

ATTACHMENTS FORM

Instructions: On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

Important: Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

1) Please attach Attachment 1		Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2		Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3		Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4		Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5		Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6		Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7		Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8		Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9		Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10		Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11		Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12		Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13		Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14		Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15		Add Attachment	Delete Attachment	View Attachment

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Objective Work Plan

Project:

Premium Review Grant

*** Year:** 1

*** Funding Agency Goal:**

GOAL 1: ESTABLISH RATE REVIEW AND APPROVAL AUTHORITY

*** Objective:**

1. Develop and pass legislation in 2011 granting the DOI rate review and approval authority for health insurance affected by the Affordable Care Act.

*** Results or Benefits Expected:**

(1) The DOI will have obtained, through passage of appropriate legislation, the authority to review and approve, disapprove or request a modification of initial rates and rate changes.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
1. Write rough draft of legislation.	Consulting actuary, Attorney/Asst. Project Dir., Project Director	08/30/2010	09/30/2010	0
2. Identify key stakeholders who have vested interest in legislation.	Consulting actuary, Atty/ Asst. Dir., Project Director, Gov. Affrs. Manager	08/30/2010	09/30/2010	0
3. Schedule and hold series of meetings to finalize the legislation (incorporates key stakeholders).	Project Director, Gov. Affairs Manager	09/01/2010	11/30/2010	0
4. Finalize legislation.	Consulting actuary, Atty/ Asst. Dir., Project Director, Gov. Affairs Manager	11/01/2010	11/30/2010	0

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
5. Find legislative sponsors to introduce and support legislation.	Governmental Affairs Manager, Project Director	11/01/2010	11/30/2010	0
6. Develop unified message to encourage passage.	Communications specialist, Governmental Affairs Manager	09/01/2010	11/30/2010	0
7. Identify, schedule, and attend events to enhance the public awareness of the need for regulatory authority.	Communications specialist, Prjct. Director, Atty/Asst. Proj. Director, etc.	01/03/2011	05/31/2011	0
8. Educate state legislators on proposed legislation utilizing key stakeholders.	Governmental Affairs manager	11/01/2010	05/31/2011	0

* Criteria for Evaluating Results or Benefits Expected:

Legislation passed.

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Objective Work Plan

You may attach up to 17 additional Objective Work Plan forms here. To extract, fill and attach each additional form, follow these steps:

- Select the "Select to Extract the Objective Work Plan Attachment" button below.

- Save the file using a descriptive name to help you remember the content of the supplemental form that you are creating. When assigning a name to the file, please remember to give it the extension ".pdf" (for example, "Objective_1.pdf"). If you do not name your file with the ".pdf" extension you will be unable to open it later, using Adobe Reader.

- Use the "Open Form" tool on Adobe Reader to open the new form you just saved.

- Enter your additional Objective information in this supplemental form, similar to the Objective Work Plan form that you see in the main body of your application.

- When you have completed entering information in the supplemental form, save and close it.

- Return to this page and attach the saved supplemental form you just filled in, to one of the blocks provided on this "attachments" form.

Important: Attach additional Objective Work Plan forms, using the blocks below. Please remember that the files you attach must be Objective Work Plan PDF forms that were previously extracted using the process outlined above. Attaching any other type of file may result in the inability to submit your application to Grants.gov. Note: It is important to attach completed forms only. Attach ONLY PDF (.pdf) forms where ALL required fields are filled out. Incomplete or missing data will cause your application to be rejected.

Select to extract the Objective Work Plan Attachment

1) Please attach Attachment 1		Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2		Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3		Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4		Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5		Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6		Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7		Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8		Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9		Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10		Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11		Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12		Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13		Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14		Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15		Add Attachment	Delete Attachment	View Attachment
16) Please attach Attachment 16		Add Attachment	Delete Attachment	View Attachment
17) Please attach Attachment 17		Add Attachment	Delete Attachment	View Attachment

OMB Number: 4040-0003
Expiration Date: 09/30/2011

Project Abstract

The Project Abstract must not exceed one page and must contain a summary of the proposed activity suitable for dissemination to the public. It should be a self-contained description of the project and should contain a statement of objectives and methods to be employed. It should be informative to other persons working in the same or related fields and insofar as possible understandable to a technically literate lay reader. This Abstract must not include any proprietary/confidential information.

* Please click the add attachment button to complete this entry.

Add Attachment | Delete Attachment | View Attachment

Project Narrative File(s)

*** Mandatory Project Narrative File Filename:**

Add Mandatory Project Narrative File | Delete Mandatory Project Narrative File | View Mandatory Project Narrative File

To add more Project Narrative File attachments, please use the attachment buttons below.

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Budget Narrative File(s)

*** Mandatory Budget Narrative Filename:**

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BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 4040-0006
Expiration Date 07/30/2010

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Affordable Care Act (ACA) Grants to states for health insurance premium review	93.511	$	$	$ 1,000,000.00	$ 0.00	$ 1,000,000.00
2.						
3.						
4.						
5. Totals		$	$	$ 1,000,000.00	$	$ 1,000,000.00

SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	$	$	$	$
9.				
10.				
11.				
12. TOTAL (sum of lines 8-11)	$	$	$	$

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	$ 1,000,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00
14. Non-Federal	$				
15. TOTAL (sum of lines 13 and 14)	$ 1,000,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS) (b)First	(c) Second	(d) Third	(e) Fourth
16.	$	$	$	$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	$	$	$	$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

OMB Approval No.: 4040-0007
Expiration Date: 07/30/2010

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U. S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	* TITLE
Robert Turner	Insurance Rate Analyst II
* APPLICANT ORGANIZATION	* DATE SUBMITTED
Alabama Department of Insurance	06/30/2010

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB
0348-0046

1. * Type of Federal Action:
- [ ] a. contract
- [x] b. grant
- [ ] c. cooperative agreement
- [ ] d. loan
- [ ] e. loan guarantee
- [ ] f. loan insurance

2. * Status of Federal Action:
- [ ] a. bid/offer/application
- [x] b. initial award
- [ ] c. post-award

3. * Report Type:
- [x] a. initial filing
- [ ] b. material change

4. Name and Address of Reporting Entity:

[x] Prime [ ] SubAwardee

*Name: Alabama Department of Insurance

*Street 1: 201 Monroe Street St, Ste 502 Street 2: P O Box 303351

*City: Montgomery State: AL: Alabama Zip: 36130-3351

Congressional District, if known:

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

6. * Federal Department/Agency:

Department of Health and Human Services

7. * Federal Program Name/Description:

Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

CFDA Number, *if applicable:* 93.511

8. Federal Action Number, *if known:*

9. Award Amount, *if known:*

$

10. a. Name and Address of Lobbying Registrant:

Prefix: * First Name: George Middle Name: Ragan

* Last Name: Ingram Suffix:

* Street 1: 201 Monroe St, Suite 502 Street 2: PO Box 303351

* City: Montgomery State: AL: Alabama Zip: 36130-3351

b. Individual Performing Services (including address if different from No. 10a)

Prefix: * First Name: George Middle Name: Ragan

* Last Name: Ingram Suffix:

* Street 1: 201 Monroe St, Suite 502 Street 2: PO Box 303351

* City: Montgomery State: AL: Alabama Zip: 36130-3351

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

*** Signature:** Robert Turner

***Name:** Prefix: * First Name: Robert Middle Name: P

* Last Name: Turner Suffix:

Title: Insurance Rate Analyst II **Telephone No.:** 334-241-4190 **Date:** 06/30/2010

Federal Use Only:

Authorized for Local Reproduction
Standard Form - LLL (Rev. 7-97)

OMB Number: 2125-0611
Expiration Date: 03/31/2010

Basic Work Plan

1. Estimated date of established funding agreement with State:

Note: Tasks starting before this date are not eligible for funding, and cannot be counted toward matching funds.

Describe the tasks in the work plan:

2 a. Describe this task or milestone:

b. Name of person or organization responsible for carrying out task:

c. How long will this task take to complete? months

d. Justify how this project task contributes to project completion: (800 character limit - about 133 words)

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Project Abstract Summary

Program Announcement (CFDA)

93.511

*** Program Announcement (Funding Opportunity Number)**

RFA-FD-10-999

*** Closing Date**

07/07/2010

*** Applicant Name**

Alabama Department of Insurance

*** Length of Proposed Project**

Application Control No.

Federal Share Requested (for each year)

*** Federal Share 1st Year**

$

*** Federal Share 2nd Year**

$

*** Federal Share 3rd Year**

$

*** Federal Share 4th Year**

$

*** Federal Share 5th Year**

$

Non-Federal Share Requested (for each year)

*** Non-Federal Share 1st Year**

$

*** Non-Federal Share 2nd Year**

$

*** Non-Federal Share 3rd Year**

$

*** Non-Federal Share 4th Year**

$

*** Non-Federal Share 5th Year**

$

*** Project Title**

Premium Review Grant

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Project Abstract Summary

*** Project Summary**

*** Estimated number of people to be served as a result of the award of this grant.**

Other Attachment File(s)

*** Mandatory Other Attachment Filename:**

Add Mandatory Other Attachment | Delete Mandatory Other Attachment | View Mandatory Other Attachment

To add more "Other Attachment" attachments, please use the attachment buttons below.

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Appendix A

HHS Grant RFA-FD-10-999
CFDA 93.511

Alabama Department of Insurance

Pertinent Regulations

ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION

CHAPTER 482-1-116
ALABAMA SMALL EMPLOYER ALLOCATION PROGRAM

TABLE OF CONTENTS

482-1-116-.01 Authority and Short Title. This regulation is adopted pursuant to Sections 27-2-17 and 27-52-20, et seq., Code of Alabama 1975. This Regulation shall be known and may be cited as the Alabama Small Employer Allocation Program Regulation.

482-1-116-.02 Purpose. The purpose and intent of this Regulation is to enhance the availability of health insurance coverage to small employers regardless of their health status or claims experience, to prevent abusive rating practices, to prevent segmentation of the health insurance market based upon health risk, to spread health insurance risk more broadly, to require disclosure of rating practices to purchasers, to establish rules regarding renewability of coverage, to limit the use of preexisting condition exclusions, and to improve the overall fairness and efficiency of the small group health insurance market.

482-1-116-.03 Applicability and Scope.

(a) This Regulation shall apply to any health benefit plan that provides coverage to the employees of a small employer in this state if any of the following conditions are met:

(1) Any portion of the premium or benefits is paid by or on behalf of the small employer.

(2) An eligible employee or dependent is reimbursed, whether through wage adjustments or otherwise, by or on behalf of the small employer for any portion of the premium.

(3) The health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of Section 162, Section 125 or Section 106 of the United States Internal Revenue Code.

(4) The health benefit plan is marketed to individual employees through an employer.

(b)(1) Except as provided in Subdivision (2), for the purposes of this Regulation, carriers that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier and any restrictions or limitations imposed by this Regulation shall apply as if all health benefit plans delivered or issued for delivery to small employers in this state by such affiliated carriers were issued by one carrier.

(2) An affiliated carrier that is a health maintenance organization having a certificate of authority under Section 27-21A-1, et seq., Code of Alabama 1975, may be considered to be a separate carrier for the purposes of this Regulation.

482-1-116-.04 Definitions.

The following definitions shall apply for purposes of this Regulation:

(1) Actuarial certification. A written statement signed by a member of the American Academy of Actuaries or other individual acceptable to the commissioner that a small employer carrier is in compliance with the provisions of Section 5 of this Regulation, based upon the person's examination and including a review of the appropriate records and the actuarial assumptions and methods used by the small employer carrier in establishing premium rates for applicable health benefit plans.

(2) "Adjusted community rate" or "Adjusted community rating." A method used to develop a carrier's premium which spreads financial risk across the carrier's entire small group population in accordance with the requirements in Section 5 of this Regulation.

(3) "Affiliate" or "affiliated." Any entity or person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified entity or person.

(4) "Carrier" or "small employer carrier." All entities licensed, or required to be licensed, by the Department of Insurance that offer health plans covering eligible employees of one or more small employers pursuant to this Regulation. For the purposes of this Regulation, carrier includes an insurance company licensed pursuant to Section 27-3-1, et seq.; a health care service plan licensed pursuant to Section 10-4-100, et seq.; a fraternal benefit society licensed pursuant to Section 27-34-1, et seq.; a health maintenance organization licensed pursuant to Section 27-21A-1, et seq.; and any other entity providing a plan of health insurance or health benefits whether or not subject to state insurance regulation. For the purposes of this Regulation, carrier does not include health benefit plans covering eligible employees of small employers when these plans are sold exclusively through the vehicle of associations.

(5) Commissioner. The Alabama Commissioner of Insurance.

(6) Dependent. A spouse, an unmarried child under the age of nineteen (19) years, an unmarried child who is a full-time student under the age of twenty-three (23) years and who is financially dependent upon the enrollee, and an unmarried child of any age who is medically certified as disabled and dependent upon the enrollee.

(7) Eligible employee. An employee who works on a full-time basis with a normal work week of thirty (30) or more hours, except that at the employer's sole discretion, the term shall also include an employee who works on a full-time basis with a normal work week of anywhere between at least seventeen and one-half (17.5) and thirty (30) hours, so long as this eligibility criterion is applied uniformly among all of the employer's employees. The term includes a sole proprietor, a partner of a partnership, and may include an independent contractor, if the sole proprietor, partner or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include an employee who works on a temporary or substitute basis or who works less than seventeen and one-half (17.5) hours per week. Persons covered under a health benefit plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 shall not be considered "eligible employees" for purposes of minimum participation requirements pursuant to Subdivision (4) of Subsection (c) of Section 7 of this Regulation.

(8) Established geographic service area. A geographic area, as approved by the commissioner and based on the carrier's certificate of authority to transact insurance in this state, within which the carrier is authorized to provide coverage.

(9) Family composition. Enrollee; enrollee, spouse and children; enrollee and spouse; or enrollee and children.

(10) Geographic area. An area approved by the commissioner and used for adjusting the rates for a health benefit plan.

(11) Health benefit plan.

a. Any hospital or medical policy or certificate, major medical expense insurance, subscriber contract or contract of insurance provided by a prepaid hospital or medical service plan, or health maintenance organization subscriber contract. Health benefit plan does not include accident-only, credit, dental, vision, Medicare supplement, long-term care, disability income insurance, coverage issued as a supplement to liability insurance, worker's compensation or similar insurance, or automobile medical payment insurance. Health benefit plan does include short-term and catastrophic health insurance policies, and a policy that pays on a cost-incurred basis, except as otherwise specifically exempted in this definition.

b. "Health benefit plan" shall not include policies or certificates of specified disease, hospital confinement indemnity or limited benefit health insurance, provided that the carrier offering such policies or certificates complies with the following:

1. The carrier files on or before March 1 of each year a certification with the commissioner that contains the statement and information described in Subparagraph 2.

2. The certification required in Subparagraph 1. shall contain both of the following:

(i) A statement from the carrier certifying that policies or certificates described in this paragraph are being offered and marketed as supplemental health insurance and not as a substitute for hospital or medical expense insurance or major medical expense insurance.

(ii) A summary description of each policy or certificate described in this paragraph, including the average annual premium rates (or range of premium rates in cases where premiums vary by age or other factors) charged for such policies and certificates in this state.

3. In the case of a policy or certificate that is described in this paragraph and that is offered for the first time in this state on or after the effective date of the Regulation, the carrier files with the commissioner the information and statement required in Subparagraph 2. at least thirty (30) days prior to the date such a policy or certificate is issued or delivered in this state.

(12) Late enrollee. An eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period during which the individual is entitled to enroll under the terms of the health benefit plan, provided that the initial enrollment period is a period of at least thirty (30) days.

However, an eligible employee or dependent shall not be considered a late enrollee in any of the following instances:

a. The individual meets each of the following:

1. The individual was covered under qualifying previous coverage at the time of the initial enrollment.

2. The individual lost coverage under qualifying previous coverage as a result of cessation of employer contribution, termination of employment or eligibility, involuntary termination of the qualifying previous coverage, or death of a spouse or divorce.

3. The individual requests enrollment within thirty (30) days after termination of the qualifying previous coverage or the change in conditions that gave rise to the termination of coverage.

b. Where provided for in contract or where otherwise provided in state law, the individual enrolls during the specified bona fide open enrollment period.

c. The individual is employed by an employer which offers multiple health benefit plans and the individual elects a different plan during an open enrollment period.

d. A court has ordered coverage be provided for a spouse or minor or dependent child under a covered employee's health benefit plan and request for enrollment is made within thirty (30) days after issuance of the court order.

e. The individual changes status from not being an eligible employee to becoming an eligible employee and requests enrollment within thirty (30) days after the change in status.

(13) Limited benefit health insurance. That form of coverage that pays stated predetermined amounts for specific services or treatments or pays a stated predetermined amount per day or confinement for one or more named conditions, named diseases or accidental injury.

(14) Premium. All moneys paid by a small employer and eligible employees as a condition of receiving coverage from a small employer carrier, including any fees or other contributions associated with the health benefit plan.

(15) "Qualifying previous coverage" and "qualifying existing coverage." Benefits or coverage provided under any of the following:

a. Medicare, Medicaid, CHAMPUS, TRICARE, Indian Health Service program or any other similar publicly sponsored program.

b. A group health insurance or health benefit arrangement that provides benefits similar to or exceeding benefits provided under the Alabama Health Insurance Plan established in the Act and implemented in Regulation No. 115.

c. An individual health insurance policy, including coverage issued by a health maintenance organization, prepaid hospital or medical care plan, or for fraternal benefit society, that provides benefits similar to or exceeding the benefits provided under the Alabama Health Insurance Plan established in the Act and implemented in Regulation No. 115.

(16) Rating period. The calendar period for which premium rates established by small employer carrier are assumed to be in effect.

(17) Restricted network provision. Any provision of a health benefit plan that conditions the payment of benefits, in whole or in part, on the use of health care providers that have entered into a contractual arrangement with the carrier to provide health care services to covered individuals.

(18) Small employer. Any person, firm, corporation, partnership, association, political subdivision, or self-employed individual that is actively engaged in business that, on at least fifty percent (50%) of its working days during the preceding calendar quarter, employed no less than two and no more than 50 eligible employees, with a normal work week of thirty (30) or more hours, the majority of whom were employed within this state, and is not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. In determining the number of eligible employees, companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation by this state, shall be considered one employer. Subsequent to the issuance of a health benefit plan to a small employer and for the purpose of determining continued eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, provisions of this Regulation that apply to a small employer shall continue to apply at least until the plan anniversary following the date the small employer no longer meets the requirements of this definition.

(19) The Act. Alabama Act No. 97-713 (Senate Bill 688, 1997 Regular Legislative Session).

482-1-116-.05 Restrictions Relating to Premium Rates.

(a) For rating periods beginning on and after the effective date of this regulation, premium rates for health benefit plans subject to this Regulation shall be subject to all of the following provisions:

(1) The small employer carrier shall develop its base rate or rates utilizing an adjusted community rating methodology and may only vary the adjusted community rate or rates for one or more of the following:

a. Geographic area.

b. Family composition.

c. Age.

d. Sex.

(2) The adjustment for age in Paragraph c. of Subdivision (1) in Subsection (a) above may not use age brackets smaller than five-year increments and these shall begin with age twenty (20) and end with age sixty-five (65).

(3) The small employer carrier shall be permitted to develop separate rates for individuals age sixty-five (65) or older for coverage for which Medicare is the primary payer and coverage for which Medicare is not the primary payer. Both rates shall be subject to the requirements of this Subsection (a).

(4) The adjustment for age permitted in Paragraph c. of Subdivision (1) in Subsection (a) above for any age group shall not result in a rate per enrollee of more than four hundred percent (400%) of the lowest rate of any age group, other rating characteristics being the same.

(5) a. The small employer carrier shall be permitted to adjust the base rate or rates developed according to the requirements of Subdivisions (1) through (4) in Subsection (a) above by a group health characteristic factor and a group size factor as set forth in this subdivision.

b. The small employer carrier may vary the group health characteristic according to the general health characteristics of the group written but may not vary the factor by industry group. The maximum group health characteristic factor (F) which may be applied to health benefit plans issuing or renewing on and after the effective date of this regulation is within a range of $.75 \leq F \leq 1.25$.

c. If a carrier employs a group size factor, the factor (G) associated with a group size classification which may be applied to health benefit plans issuing or renewing on and after the effective date of this regulation must be within a range of $.85 \leq G \leq 1.15$.

(b) The premium charged for a health benefit plan may not be adjusted more frequently than annually except that the rates may be changed to reflect any one or more of the following:

(1) Changes to the enrollment of the small employer.

(2) Changes to the family composition of the employee.

(3) Changes to the health benefit plan requested by the small employer.

(4) Changes to the health benefit plan mandated by the legislature and subject to any time constraint in enactment.

(c) Premium rates for health benefit plans shall comply with the requirements of this section.

(d) Rating factors shall produce premiums for identical groups which differ only by the amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans, except to the extent permitted in Subdivision (5) of Subsection (a) above.

(e) For the purposes of this section, a health benefit plan that contains a restricted network provision shall not be considered similar coverage to a health benefit plan that does not contain such a provision, provided that the restriction of benefits to network providers results in substantial differences in claim costs.

(f) In connection with the offering for sale of any health benefit plan to a small employer, a small employer carrier shall make a reasonable disclosure, as part of its solicitation and sales materials, of all of the following:

(1) The provisions of the health benefit plan concerning the small employer carrier's right to change premium rates and the factors, other than claim experience, that affect changes in premium rates.

(2) The provisions relating to renewability of policies and contracts.

(3) The provisions relating to any preexisting condition provision.

(4) A listing of and descriptive information about all benefit plans for which the small employer is qualified.

(g)(1) Each small employer carrier shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

(2) Each small employer carrier shall file with the Commissioner annually on or before March 15, both of the following:

a. An actuarial certification certifying that the carrier is in compliance with this Regulation and that the rating methods of the small employer carrier are actuarially sound. The certification shall be in a form and manner, and shall contain such information, as specified by the Commissioner. A copy of the certification shall be retained by the small employer carrier at its principal place of business.

b. A market data and experience report containing information on the market penetration, premium rate trend and claims trend under health benefit plans offered by the carrier. The format and content of the report shall be as specified by the Commissioner.

(3) A small employer carrier shall make the information and documentation described in Subdivision (1) available to the Commissioner upon request. Except in cases of violations of this Regulation, the information shall be considered proprietary and trade secret information and shall not be subject to disclosure by the commissioner to persons outside of the Alabama Department of Insurance except as agreed to by the small employer carrier or as ordered by a court of competent jurisdiction.

(h) Health benefit plans may not establish individual eligibility rules based on health status related factors. Such factors include, but are not limited to, current medical condition (physical and mental), past claims experience, medical history, genetic information, evidence of insurability (including conditions arising out of acts of domestic violence), and disability.

(i) The requirements of this section shall apply to all health benefit plans issued or renewed on or after the effective date of this Regulation.

482-1-116-.06 Renewability of Coverage.

(a) A health benefit plan subject to this Regulation shall be renewable with respect to all eligible employees or dependents, at the option of the small employer, except in any of the following cases:

(1) Nonpayment of the required premiums.

(2) Fraud or intentional misrepresentation of a material fact by the small employer or, with respect to coverage of individual insureds, the insureds or their representatives.

(3) Noncompliance with the carrier's minimum participation requirements.

(4) Noncompliance with the carrier's employer contribution requirements.

(5) The small employer carrier elects to nonrenew all of its health benefit plans delivered or issued for delivery to small employers in this state. In such a case the carrier shall:

a. Provide advance notice of its decision under this Subdivision to the commissioner in each state in which it is licensed; and

b. Provide notice of the decision not to renew coverage to all affected small employers, insureds and to the commissioner in each state in which an affected insured individual is known to reside at least 180 days prior to the nonrenewal of any health benefit plans by the carrier. Notice to the commissioner under this Paragraph shall be provided at least three (3) working days prior to the notice to the affected small employers.

(6) The commissioner finds that the continuation of the coverage would not be in the best interests of the policyholders or certificate holders; or would impair the carrier's ability to meet its contractual obligations. In such instance, the commissioner shall assist affected small employers in finding replacement coverage. In the case of a health maintenance organization, the decision by the Commissioner shall have been made in consultation with, and with the approval of, the State Health Officer.

(7) The small employer carrier elects to discontinue the sale of the health benefit plan to small employers in this state. In such a case, the carrier shall:

a. Provide 90 days advance notice of its decision to the small employers covered by the discontinued health benefit plan in this state; and

b. Offer each affected small employer an option to purchase any other small group health benefit plan offered by the carrier in this state.

c. The offer in Paragraph b. must be made uniformly to all affected small employers in this state without regard to health status related factors.

(8) Association membership ceases, provided that the rules for cessation are applied uniformly without regard to health status related factors.

(b) A small employer carrier that elects not to renew a health benefit plan under Subdivision (5) of Subsection (a) shall be prohibited from writing new business in the small employer market in this state for a period of five (5) years from the date of notice to the commissioner.

(c) In the case of a small employer carrier doing business in one established geographic service area of the state, the rules set forth in this subsection shall apply only to the carrier's operations in that service area.

482-1-116-.07 Availability of Coverage.

(a)(1) Every small employer carrier shall, as a condition of transacting business in this state with small employers, actively offer to small employers all health benefit plans it actively markets to small employers in this state. A small employer carrier shall be considered to be actively marketing a health benefit plan if it offers that plan to any small employer not currently receiving a health benefit plan by such small employer carrier.

(2) Subject to Subdivision (1), a small employer carrier shall issue any health benefit plan to any eligible small employer that applies for such plan and agrees to make the required premium payments and to satisfy the other reasonable provisions of the health benefit plan not inconsistent with this Regulation.

(b)(1) A small employer carrier shall file with the commissioner, in a format and manner prescribed by the commissioner, the health benefit plans to be used by the carrier. A health benefit plan filed pursuant to this requirement may be used by a small employer carrier beginning thirty (30) days after it is filed unless the commissioner disapproves its use.

(2) The commissioner at any time may, after providing notice and an opportunity for a hearing to the small employer carrier, disapprove the continued use by a small employer carrier of a health benefit plan on the grounds that the plan does not meet the requirements of this Regulation.

(c) Health benefit plans covering small employers shall comply with all of the following provisions:

(1) A health benefit plan shall not deny, exclude or limit benefits for a covered individual for losses incurred more than twelve (12) months following the effective date of the individual's coverage due to a preexisting condition. A health benefit plan shall not define a preexisting condition more restrictively than a condition for which medical advice, diagnosis, care or treatment was recommended or received during the six (6) months immediately preceding the effective date of coverage. For purposes of this subsection, pregnancy may not be considered a preexisting condition under a health benefit plan and no preexisting condition shall apply to a dependent newborn or adopted child if covered within 30 days of birth or adoption.

(2) A small employer carrier shall waive any carrier waiting period applicable to a preexisting condition exclusion or limitation period with respect to particular services in a health benefit plan for the period of time an individual was previously covered by qualifying previous coverage provided that the qualifying previous coverage was continuous to a date not more than sixty-three (63) days prior to the effective date of new coverage. The period of continuous coverage shall not include any waiting period for the effective date of the new coverage applied by the employer or the carrier, or for the normal application and enrollment process following employment or other triggering event for eligibility. A carrier that does not use preexisting condition limitations in any

of its health benefit plans may impose an affiliation period. "Affiliation period" means a period of time not to exceed sixty (60) days for new entrants and not to exceed ninety (90) days for late enrollees during which no premiums shall be collected and coverage issued would not become effective. This Subdivision does not preclude application of any waiting period applicable to all new enrollees under the health benefit plan, provided that any carrier-imposed waiting period be no longer than sixty (60) days and be used in lieu of a preexisting condition exclusion.

(3) A health benefit plan may exclude coverage for late enrollees for preexisting conditions for a period not to exceed eighteen (18) months.

(4) a. Except as provided in this subsection, requirements used by a small employer carrier in determining whether to provide coverage to a small employer shall be applied uniformly among all small employers applying for coverage or receiving coverage from the small employer carrier.

b. A small employer carrier shall not require a minimum participation level greater than:

1. One hundred percent (100%) of eligible employees working for groups of three (3) or less employees; and

2. Seventy-five percent (75%) of eligible employees working for groups with more than three (3) employees.

c. In applying minimum participation requirements with respect to a small employer, a small employer carrier shall not consider employees or dependents who have qualifying existing coverage in determining whether the applicable percentage of participation is met.

d. A small employer carrier shall not increase any requirement for minimum employee participation or modify any requirement for minimum employer contribution applicable to a small employer at any time after the small employer has been accepted for coverage.

(5) a. If a small employer carrier offers coverage to a small employer, the small employer carrier shall offer coverage to all of the eligible employees of a small employer and their dependents. A small employer carrier shall not offer coverage to only certain individuals or dependents in a small employer group or to only part of the group.

b. Except as permitted under Subdivisions (1) and (3) of this subsection, a small employer carrier shall not modify a health benefit plan with respect to a small employer or any eligible employee or dependent, through riders, endorsements or otherwise, to restrict or exclude coverage or benefits for specific diseases, medical conditions or services otherwise covered by the plan.

(d)(1) A small employer carrier shall not be required to offer coverage or accept applications pursuant to Subsection (a) in the case of any of the following:

a. To a small employer, where the small employer is not physically located in the carrier's established geographic service area.

b. To an employee, when the employee does not work or reside within the carrier's established geographic service area.

c. Within an area where the small employer carrier reasonably anticipates, and demonstrates to the satisfaction of the commissioner, that it will not have the capacity within its established geographic service area to deliver service adequately to the members of such groups because of its obligations to existing group policyholders and enrollees.

(2) A small employer carrier that cannot offer coverage pursuant to Paragraph c. of Subdivision (1) may not offer coverage in the applicable area to new cases of employer groups with less than two or more than 50 eligible employees or to any small employer groups until the later of 180 days following each such refusal or the date on which the carrier notifies the commissioner that it has regained capacity to deliver services to small employer groups.

(e) A small employer carrier shall not be required to provide coverage to small employers pursuant to Subsection (a) for any period of time for which the Commissioner determines that requiring the acceptance of small employers in accordance with the provisions of Subsection (a) would place the carrier in a financially impaired condition.

482-1-116-.08 Standards to Assure Fair Marketing.

(a) Subject to Subdivision (1) of Subsection (a) of Section 7, each small employer carrier shall actively market all health benefit plans sold by the carrier to eligible small employers in the state.

(b)(1) Except as provided in Subdivision (2), no small employer carrier or producer shall, directly or indirectly, engage in the following activities:

a. Encouraging or directing small employers to refrain from filing an application for coverage with the small employer carrier because of the health status, claims experience, industry, occupation or geographic location of the small employer.

b. Encouraging or directing small employers to seek coverage from another carrier because of the health status, claims experience, industry, occupation or geographic location of the small employer.

(2) The provisions of Subdivision (1) shall not apply with respect to information provided by a small employer carrier or producer to a small employer regarding the established geographic service area or a restricted network provision of a small employer carrier.

(c)(1) Except as provided in Subdivision (2), no small employer carrier shall, directly or indirectly, enter into any contract, agreement or arrangement with a producer that provides for or results in the compensation paid to a producer for the sale of a health benefit plan to be varied because of the initial or renewal health status, claims experience, industry, occupation or geographic location of the small employer.

(2) Subdivision (1) shall not apply with respect to a compensation arrangement that provides compensation to a producer on the basis of percentage of premium, provided that the percentage shall not vary because of the health status, claims experience, industry, occupation or geographic area of the small employer.

(d) No small employer carrier may terminate, fail to renew or limit its contract or agreement of representation with a producer for any reason related to the initial or renewal health status, claims experience, occupation or geographic location of the small employers placed by the producer with the small employer carrier.

(e) A small employer carrier or producer may not induce or otherwise encourage a small employer to separate or otherwise exclude an employee or dependent from health coverage or benefits provided in connection with the employee's employment.

(f) Denial by a small employer carrier of an application for coverage from a small employer shall be in writing and shall state the reason or reasons for the denial.

(g)(1) A violation of this section by a small employer carrier or a producer shall be considered an unfair trade practice pursuant to Section 27-12-2, Code of Alabama 1975.

(2) If a small employer carrier enters into a contract, agreement or other arrangement with a third-party administrator to provide administrative, marketing or other services related to the offering of health benefit plans to small employers in this state, the third-party administrator shall be subject to this section as if it were a small employer carrier.

482-1-116-.09 Status of Carriers as Small Employer Carriers.

(a) Within thirty (30) days after the effective date of the Act, each carrier providing health benefit plans in this state shall make a filing with the Commissioner indicating whether the carrier intends to operate as a small employer carrier in this state under the terms of this regulation.

(b) Subject to Subsection (c), a carrier shall not offer health benefit plans to small employers, or continue to provide coverage under health benefit plans previously issued to small employers in this state, unless the filing provided pursuant to Subsection (a) indicates that the carrier intends to operate as a small employer carrier in this state.

(c) If the filing made pursuant Subsection (a) indicates that a carrier does not intend to operate as a small employer carrier in this state, the carrier may continue to provide coverage under health benefit plans previously issued to small employers in this state only if the carrier complies with all of the following provisions:

(1) The carrier complies with the requirements of this Regulation with respect to each of the health benefit plans previously issued to small employers by the carrier.

(2) The carrier provides coverage to each new entrant to a health benefit plan previously issued to a small employer by the carrier. The provisions of this Regulation shall apply to the coverage issued to such new entrants.

(3) The carrier complies with the requirements of Sections 10 and 11 of this regulation as they apply to small employers whose coverage has been terminated by the carrier and to individuals and small employers whose coverage has been limited or restricted by the carrier.

(d) If the filing made pursuant to Subsection (a) indicates that a carrier does not intend to operate as a small employer carrier in this state, the carrier shall be precluded from operating as a small employer carrier in this state, except as provided for in Subsection (c), for a period of five (5) years from the date of the filing. Upon a written request from such a carrier, the Commissioner may reduce the period provided for in the previous sentence if the Commissioner finds that permitting the carrier to operate as a small employer carrier would be in the best interests of the small employers in the state.

482-1-116-.10 Restoration of Terminated Coverage.

(a)(1) Except as provided in Subdivision (2), a small employer carrier shall, as a condition of continuing to transact business in this state with small employers, offer to provide a health benefit plan as described in Subsection (c) to any small employer whose coverage was terminated or not renewed by such small employer carrier after January 31, 1997.

(2) The offer required under Subdivision (1) shall not be required with respect to a health benefit plan that was not renewed for either of the following reasons:

a. The health benefit plan was not renewed for reasons permitted in Section 6 of this Regulation.

b. The nonrenewal was a result of the small employer voluntarily electing coverage under a different health benefit plan.

(b) The offer made under Subsection (a) shall occur not later than thirty (30) days after a carrier indicates its intention to operate as a small employer carrier in this state pursuant to Subsection (a) of Section 9. A small employer shall be given at least sixty (60) days to accept an offer made pursuant to Subsection (a).

(c) A health benefit plan provided to a terminated small employer pursuant to Subsection (a) shall meet all of the following conditions:

(1) The health benefit plan shall contain benefits that are identical to the benefits in the health benefit plan that was terminated or nonrenewed.

(2) The health benefit plan shall not be subject to any waiting periods (including exclusion periods for preexisting conditions) or other limitations on coverage that exceed those contained in the health benefit plan that was terminated or nonrenewed. In applying such exclusions or limitations, the health benefit plan shall be treated as if it were continuously in force from the date it was originally issued to the date that it is restored pursuant to this section.

(3) The health benefit plan shall not be subject to any provision that restricts or excludes coverage or benefits for specific diseases, medical conditions or services otherwise covered by the plan.

(4) The health benefit plan shall provide coverage to all employees who are eligible employees as of the date the plan is restored. The carrier shall offer coverage to each dependent of such eligible employees.

(5) The premium rate for the health benefit plan shall be no more than the premium rate charged to the small employer on the date the health benefit plan was terminated or nonrenewed; provided that, if the number or case characteristics of the eligible employees (or their dependents) of the small employer has changed between the date the health benefit plan was terminated or nonrenewed and the date that it is restored, the carrier may adjust the premium rates to reflect any changes in case characteristics of the small employer. If the carrier has increased premium rates for other similar groups with similar coverage to reflect general increases in health care costs and utilization, the premium rate may further be adjusted to reflect the lowest such increase given to a similar group. The premium rate for the health benefit plan may not be increased to reflect any changes in risk characteristics of the small employer group until one year after the date the health benefit plan is restored. Any such increase shall be subject to the provisions of Section 5 of this Regulation.

482-1-116-.11 Restrictive Riders. A restrictive rider, endorsement or other provision that would violate the provisions of Paragraph b. of Subdivision (5) of Subsection (c) of

Section 7 of this Regulation and that was in force on the effective date of this regulation may not remain in force beyond the first anniversary date of the health benefit plan subject to the restrictive provision that follows the effective date of this regulation. A small employer carrier shall provide written notice to those small employers whose coverage will be changed pursuant to this subsection at least thirty (30) days prior to the required change to the health benefit plan.

482-1-116-.12 Separability. If any provision of this Regulation or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of the Regulation and the application of its provisions to other persons or circumstances shall not be affected thereby.

482-1-116-.13 Effective Date. The provisions of this Regulation shall become effective October 1, 2001, upon its approval by the Commissioner of Insurance, with the concurrence of the State Board of Health, and upon its having been on file as a public document in the office of the Secretary of State for ten days.

CHAPTER 482-1-079
HEALTH MAINTENANCE ORGANIZATIONS GENERALLY

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CURRENT ALABAMA INSURANCE REGULATIONS FOR 2010 GRANT PROPOSAL

482-1-079-.01 Scope and Authority. The following chapters shall govern the issuance of Certificates of Authority and operation of health maintenance organizations pursuant to the authority set forth in Section 27-2-17 and Section 27-21A-19 Code of Alabama 1975.

482-1-079-.02 Definitions.

(1) All terms defined in the Health Maintenance Organization Act which are used in these rules shall have the same meaning as in the Act.

(2) HMO. Health maintenance organizations shall be abbreviated as HMO in these rules.

(3) GOVERNING AUTHORITY. The entity, whether natural, corporate or otherwise, in which the ultimate responsibility and authority for the conduct of the HMO is vested.

(4) ASSETS AND LIABILITIES. Assets include but are not limited to cash, bank deposits, securities, accounts receivable, and real estate. Liabilities include notes, mortgages, accounts payable, reserve for taxes, commissions and other charges, borrowed money, debt instruments, reserve for claims, salaries and expenses, and all debts and contingent obligations of any nature whatsoever.

(5) ACTUARIALLY SOUND. The ability of the proposed HMO to deliver all the services to be furnished by the HMO at the rate structure established. This will be determined by the Commissioner based on the HMO's profitability or actuarial study under which the rates are established. Consideration will be given to the character and amount of guaranteed service by the organizers, the method of marketing, and the degree of market penetration that can reasonably be expected.

(6) EXCESSIVE, INADEQUATE OR UNFAIRLY DISCRIMINATORY. A rate shall be deemed to be excessive if such rate is unreasonably high for the services provided when compared with the cost for similar health care services in the community. A rate shall be deemed to be inadequate if the rate is unreasonably low for the services provided, if the continued use of the rate endangers the solvency of the HMO using it, or if continued use by the HMO has or will have the effect of creating unfair competition and a monopoly. However, no rate will be deemed inadequate or excessive if the HMO can show that the rate accurately reflects the real cost of providing the health care services. This provision is designed to promote efficient and effective operation of HMOs. A rate shall be deemed to be unfairly discriminatory if it is a higher or lower rate than that charged to any other person of the same class or group based upon age, sex or physical condition.

(7) PREMIUM. The fixed sum paid by or on behalf of an enrollee or group of enrollees on a prepaid per capital or prepaid aggregate basis for the services rendered by the HMO.

(8) MANAGEMENT CONTRACTOR. Any person other than the management staff entering into an agreement with the governing authority of a HMO for the purpose of managing day-to-day operations of the HMO.

(9) COMMISSIONER. Where used in this chapter shall mean the Commissioner of Insurance.

482-1-079-.03 Application.

(1) An application, on forms provided by the Commissioner, accompanied by the greater of a filing fee of Fifty Dollars and a Commissioner's seal fee of Five Dollars (totaling $55.00) or the amount levied by the state of domicile, payable to the Commissioner, shall be completed by the responsible persons in each entity desiring to obtain a certificate of authority as a HMO. The application with a copy in duplicate shall be attested and notarized and be accompanied by biographical affidavits of the principal officers and directors, financial statements on the National Association of Insurance Commissioners HMO "convention" blank, and other supporting documents required by the application form and guidelines. Applicants shall address correspondence to the Examination Division, Alabama Department of Insurance, Montgomery, Alabama 36130. A copy of the application and supporting documents shall be filed with the Department of Public Health, Bureau of Licensure and Certification, Montgomery, Alabama 36130.

(2) Any material change in the plan of operations or any other section set out in the information filed with the application for admission shall be filed with the Commissioner and the State Health Officer prior to modification.

482-1-079-.04 **Enrollee Contracts.** Enrollee contracts mean the certificate or contract provided to the enrollee which describes the health care services provided and the amount to be charged. Individual or family contracts must contain the entire agreement between the HMO and the enrollees, including but not limited to: date of contract; rate to be charged; mode of payment (monthly, quarterly, etc. with provision for change of mode); grace period for late payment; co-payment features, if any; renewal conditions; services to be furnished; names and addresses of clinics or other facilities at which services are available (which may be listed in a separate addendum that is updated at least every six months); factors pertaining to pre-existing conditions; limitations; exclusions and exceptions, such as waiting periods, specific conditions not covered and limitations on length of stay and all other qualifying or limiting features; provisions pertaining to amount and kind of reimbursement made if illness or accident happens outside of geographic area and explanation of this coverage; provisions for adding new family members; and any other factor necessary for complete understanding of the coverages and exclusions of the contract.

Group master contracts must contain complete information as above, but a certificate may be issued to the individual enrollee who is a member of the group showing the salient features of the plan along with a descriptive pamphlet or brochure to fully explain the coverage if it is first filed with the Commissioner. However, the group master contract shall be available for review by any enrollee or member during regular business hours in the Alabama office of the HMO.

Provisions relating to grievances must be included in all contracts or certificates.

All contracts must be clear and legible. All limitations, exclusions and exceptions (except co-payment provisions) must be grouped together in separate sections with captions in bold-face type and shall be printed with at least the same prominence as provisions which describe the benefits.

482-1-079-.05 **Rates.** Rates must not be excessive, inadequate or unfairly discriminatory. Rates may not be changed without prior approval of the Commissioner and without thirty (30) days notice of the proposed change given to enrollees. It is therefore recommended that the proposed rate be filed as far in advance as possible to prevent unnecessary expense in the event of a rate disapproval. If the Commissioner does not disapprove the rates (schedule of charges) within thirty (30) days of their filing, they shall be deemed approved.

482-1-079-.06 Advertising. Advertising includes printed and published material, descriptive literature and sales aids, sales talks and sales materials, booklets, forms and pamphlets, illustrations, depictions and form letters, newspaper, radio, television or direct mail advertising.

Advertising must be truthful and not misleading in fact or implication. Words or phrases shall not be used whose meaning is unclear, ambiguous or whose understanding depends upon familiarity with technical terminology.

Words, phrases or illustrations shall not be used in a manner which misleads or has the capacity or tendency to deceive or mislead.

Each HMO shall maintain at its home or principal office a complete file containing a specimen copy of every printed, published, or prepared advertisement disseminated with a notation indicating the manner and extent of distribution and the form number of any contract or health service plan advertised. Such file shall be subject to inspection by the Commissioner or the Public Health Officer. All such advertisements shall be maintained in said file for a period of either four years or until the filing of the next regular report on the financial examination of the HMO, whichever is sooner.

Each HMO subject to the provisions of this chapter shall file with its Annual Statement a certificate of compliance executed by an authorized officer of the HMO wherein it is stated that to the best of his or her knowledge, information, and belief the advertisements which were disseminated in this state by or on behalf of the HMO during the preceding statement year complied or were made to comply in all respects with the provisions of this chapter and the laws of Alabama.

If the Commissioner finds that it may be in the best interests of the public due to possible violations of the Trade Practices Law or the Deceptive Practices Act by the HMO or its agents, he or she may require particular HMOs or agents to submit all or any part of their advertisements to him or her for review prior to use.

All advertisements must contain the name and address of the HMO as filed with the Commissioner.

482-1-079-.07 Merchandising and Agents' Licensing.

(1) The manner of merchandising enrollee contracts must be fully explained by the HMO prior to certification and any subsequent changes in this area must be approved by the Commissioner before use. All salesmen or representatives of the HMO engaged in soliciting enrollees are bound by the advertising rules previously noted. The HMO is responsible for the acts of its agents in soliciting enrollees.

(2) Each sales agent or other representative of an HMO shall satisfactorily pass the examination given by the Commissioner and shall be licensed as a disability agent

after meeting qualifications for being examined as a disability agent or otherwise comply with the requirements for being licensed as an agent under Chapter 7, Title 27 Code of Alabama 1975 before representing the HMO in its sales and merchandising activities. Any HMO which pays any commissions to an unlicensed agent or representative shall remit upon demand by the Commissioner a fine of three times the commission paid the agent with the fine not to exceed the total of $5,000.

482-1-079-.08 Inspection of Contract. For individual contracts, an enrollee may, if the contract is not satisfactory for any reason, return it within ten days of its receipt, and receive a full refund of any deposit paid. This right of return shall not act as a cure for misleading or deceptive advertising or selling methods which violate the Trade Practices Law or the Deceptive Practices Act, nor may it be exercised if the enrollee uses the services of the HMO within the ten (10) day period.

482-1-079-.09 Filing, Approval of Forms. Every contract, rider, endorsement, certificate, application or other form to be used or issued must be filed by the HMO for approval by the Commissioner.

The Commissioner shall disapprove any form, or withdraw previous approval thereof if the form:

(1) In any respect is in violation of or fails to comply with the provisions of Sections 27-21A-1 et seq. Code of Alabama 1975, other applicable Alabama statutes, or these chapters.

(2) Contains, or incorporates by reference, any inconsistent, ambiguous or misleading words or phrases, or exceptions and conditions which deceptively affect the risk to be assured under the contract.

(3) Has any title, heading or other indication of its provisions which is misleading.

(4) Is printed or reproduced so as not to be fully legible.

(5) Provides for charges which are excessive, inadequate or unfairly discriminatory.

(6) Contains provisions which are unfair, inequitable, frivolous or contrary to the public policy of this State, or which encourage or lend themselves to misrepresentation.

482-1-079-.10 Annual Report and Quarterly Reports. Each HMO shall furnish to the Commissioner, with a copy to the Department of Public Health, an accurate report annually on or before the first day of March providing the information required by law for the preceding year, in the convention form as approved by the National Association of Insurance Commissioners (N.A.I.C.). Any report which is not filed on or before March 1 will subject the HMO to a fine of $500 and/or delinquency proceedings including suspension or revocation of its certificate of authority if willful and without just cause.

Any quarterly financial reports, if required by the Commissioner, shall be filed by each HMO on forms adopted by the N.A.I.C. not later than forty-five (45) days after the end of each calendar quarter.

482-1-079-.11 Fees. Checks for the original filing or amendments thereto, and for filing of each annual report shall be made payable to the "Commissioner of Insurance." All expenses of examination, travel and per diem charges authorized by Alabama Insurance Regulation Chapter 482-1-003 entitled "Per Diem Subsistence and Compensation incurred in Examination of Domestic Insurance Companies and Others" shall apply to HMOs.

482-1-079-.12 Change of Name. No name other than that approved by the Commissioner may be used. The name of the HMO may not be changed without prior approval of the Commissioner. Any name which is misleading as to the purpose or type of organization or which is deceptively similar to the name of another licensed HMO shall not be used by the HMO.

482-1-079-.13 Change of Ownership or Management. Each HMO which desires to transfer ownership of more than 5% of the stock or ownership interest or control in the HMO shall not do so without first submitting the proposed plan to the Commissioner for review and approval or disapproval in accordance with Section 27-29-3 Code of Alabama 1975. Any change of control shall be governed by the disclosure requirements of Alabama Insurance Regulation Chapter 482-1-055 entitled "Insurance Holding Company Registration and Disclosure."

The HMO shall promptly furnish the Commissioner written notice within thirty days of their election or appointment of any change of personnel among the directors or principal officers of the HMO.

Any management contractor who shall manage the financial affairs, investment affairs or any of the health care activities of the HMO shall be subject to prior approval by the Commissioner with the advice of the State Health Officer. In no instance shall the

board of directors of the HMO relinquish the right to dismiss the management contractor for failure to perform his required duties.

Management contracts shall be effective only with the prior written consent of the Commissioner in accordance with Section 27-21A-4 supra and shall include the following:

(1) A description of the proposed role of the HMO governing authority during the term of the proposed management contract. The description shall clearly reflect retention by the governing authority of the HMO of ongoing responsibility for statutory and regulatory compliance;

(2) A provision that clearly recognizes that the responsibilities of the governing authority of the HMO are in no way obviated by entering a management contract and that any powers not specifically delegated to the management contractor through the provisions of the contract remain with the governing authority of the HMO;

(3) A plan for assuring maintenance of the fiscal stability, the level of services provided and the quality of care rendered by the HMO during the term of the management contract;

(4) A provision that annual reports on the financial operations and any other operational data requested by the governing authority of the HMO, the State Health Officer or the Commissioner will be provided by the management contractor;

(5) A provision stating that the management contract approved by the Commissioner shall be the sole agreement between the management contractor and the governing authority of the HMO for the purpose of management of the HMO and payment to the management contractor for management services, and that any amendments or revisions to the management contract shall be effective only with the prior written consent of the Commissioner; and

(6) Specification of payment terms that are reasonable and do not jeopardize the financial solvency of the HMO.

If these management contracts are not disapproved within thirty (30) days of filing they shall be deemed approved.

482-1-079-.14 Insurance — General Liability, Medical Malpractice and Reinsurance. Evidence of the existence of insurance or a plan for self-insurance approved by the Commissioner must be submitted at least 30 days prior to the expiration date of the policy and with each annual report.

Unless the Commissioner grants an exemption from requirements of this section, the HMO shall secure insurance coverage or furnish evidence of acceptable self-insurance to provide:

(1) For payments or services required to be made or furnished under the health care contract to those enrollees who are injured or become ill outside the geographical limits served by the HMO;

(2) Reinsurance protection to the HMO in the event of catastrophic or unusual losses in excess of levels of loss which the HMO assumes in the basis of its calculation of premium charges (schedule of charges);

(3) That the HMO has an agreement with an Alabama licensed insurer or nonprofit health service plan under which the insurer or nonprofit health service plan agrees to issue to enrollees in the HMO, a plan of hospital, medical and surgical insurance at standard conversion premium rates without any underwriting or other requirement, other than an application and payment of the first monthly premium by the enrollee, in the event the HMO is unable to continue in operation;

(4) For a general liability and medical malpractice plan or an adequate plan for self-insurance program approved by the Commissioner. Evidence of these plans must be submitted at least 30 days prior to the expiration date of the policy and with each annual report.

482-1-079-.15 Records and Asset Maintenance of Domestic HMOs. An Alabama domiciled (domestic) HMO shall keep all necessary records in an Alabama location required for the efficient examination of its financial condition and health care delivery system. These records shall include but not be limited to the general ledger and subsidiary ledgers, management contracts, provider contracts, enrollment records, utilization records, group contract records, premium records, quality of care documentation records, and complaint records.

All original evidences of ownership of assets shall be maintained in a suitable Alabama depository and shall be promptly produced upon request by the Commissioner or his examiners. The HMO shall make reasonable arrangements for the safeguarding of its assets which may include safekeeping or trust arrangements with Alabama banks or trust companies.

Every domestic HMO shall have, and maintain, its principal place of business and home office in this state and shall keep therein complete records of its assets, transactions, and affairs in accordance with such methods and systems as are customary or suitable as to the kind, or kinds, of business transacted.

Every domestic HMO shall have, and maintain, its assets in this state, except as to:

(1) Real property and personal property appurtenant thereto lawfully owned by the HMO and located outside this state; and

(2) Such property of the HMO as may be customary and necessary to enable and facilitate the operation of its branch offices and "regional home offices" located outside this state as long as such records and assets are made readily available at such office for examination by the Commissioner at his request.

Removal of all, or a material part thereof, the records or assets of an Alabama domiciled HMO except pursuant to a plan of merger or consolidation approved by the Commissioner, or concealment of such records or assets, or material part thereof, from the Commissioner is prohibited. Upon any removal or attempted removal of such records or assets or upon retention of such records or assets, or material part thereof, outside this state beyond the period specified in the Commissioner's written consent under which the records were so removed or upon concealment of, or attempt to conceal, records or assets in violation of this chapter and Section 27-27-29 supra, the Commissioner shall institute delinquency proceedings against the HMO pursuant to the provisions of Sections 27-32-1 et seq. Code of Alabama 1975.

A domestic HMO, for good cause shown and with the written permission of the Commissioner, may maintain its executive offices outside the State of Alabama provided it keeps an office managed by one or more officers of the HMO and keeps a complete duplicate set of records in Alabama and further agrees to make all records at the executive offices outside Alabama available to the Commissioner upon reasonable notice by him.

Any HMO may evidence ownership of its assets by use of a clearing corporation or federal reserve book-entry deposit system by depositing acceptable securities through an local bank or trust company with which an approved custodial agreement has been executed. For statutory deposits the deposit must also be evidenced by a sworn affidavit made by an officer of the bank in accordance with Chapter 482-1-077.

482-1-079-.16 Deposit Requirements. The initial $100,000 deposit and any subsequent annual deposit requirements of an HMO shall be deposited, through the Commissioner, with the State Treasurer. The deposit shall be in the form of certificates of deposit with solvent, United States banks, or any combination of securities, the market value of which is readily ascertainable, and, if negotiable by delivery or assignment, of the kinds described below:

(1) United States government obligations;

(2) State, county, municipal and school obligations;

(3) Public improvement obligations;

(4) Housing authority obligations;

(5) Obligations, stock of certain federal agencies;

(6) Canadian governmental obligations;

(7) International banks;

(8) Corporate obligations;

(9) Equipment trust obligations;

(10) Railroad leased lines, terminal obligations.

The market value of the deposit of any HMO shall at all times be equal to or greater than $100,000. If at any time the value of the securities held on deposit is less than $100,000, the HMO shall promptly deposit sufficient, acceptable securities to meet the deficiency in market value.

482-1-079-.17 Service Area. Any HMO licensed in Alabama shall, before increasing its service area, make application in duplicate to the State Health Officer and the Commissioner for the expansion of their geographic service area. This application shall include but not be limited to a graphic description in the form of a drawn or printed map of the proposed expansion of geographic area detailed enough to easily determine the area, a description of the physical facilities to be used in providing health care services including a copy of any proposed lease or real estate purchase agreement; a list with their qualifications and licensed status of all contracted health care providers whether HMO employees or independent providers for the expanded service area; and any other information which the State Health Officer or Commissioner may require to evaluate the proposed expansion. The expanded service area will be approved within thirty (30) days after the filing of proposed expanded area, if adequate information is furnished to evaluate the proposal, unless in the opinion of the State Health Officer or Commissioner the expansion will detrimentally and substantially affect the solvency of the HMO or decrease the quality of health care services of the enrollees.

482-1-079-.18 Limitation Period for Payment of Claims under Health Maintenance Organization Contracts. All licensed HMO's shall consider claims made under their health care contracts and, if found to be valid and proper, shall pay such claims within forty-five (45) days after the receipt of proof of the fact and amount of loss sustained under such contracts. If reasonable proof is not supplied as to the entire claim, the amount supported by reasonable proof shall be considered overdue if not paid within forty-five (45) days after such proof is received by the HMO. Any part or all of the remainder of the claim that is later

supported by reasonable proof shall be considered overdue if not paid within forty-five (45) days after such proof is received by the HMO. For the purposes of calculating the extent to which any benefits are overdue, payment shall be treated as made on the date a draft or other valid instrument was placed in the United States mail to the last known address of the claimant or provider in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery. When the claim is overdue or denied, the HMO must provide written justification within five days of the overdue or denial date to any providers involved and to the enrollee if the enrollee is financially liable for the denied claim.

The above required payment time period of forty-five (45) days is not applicable if the HMO has approved executed provider contracts in which the HMO and the provider have agreed to a different schedule of payment, in which case, all other provisions set out above will be applicable with the exception that the time payment will be in accordance with the approved contract between the HMO and the provider.

482-1-079-.19 Separability. If any provision of this chapter or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of this chapter and the application of such provision to other persons or circumstances shall not be affected thereby.

482-1-079-.20 Effective Date. The effective date of this chapter is May 8, 1987.

CHAPTER 482-1-024
FILING FOR APPROVAL OF ALL LIFE AND ACCIDENT AND HEALTH POLICY FORMS, RIDERS, ENDORSEMENTS AND APPLICATIONS

TABLE OF CONTENTS

482-1-024-.01 Authority. This chapter is adopted pursuant to Section 27-2-17, Code of Alabama 1975.

482-1-024-.02 Applicability. This chapter shall apply to all life and disability policy forms, riders, endorsements and applications filed for approval with the Alabama Department of Insurance in accordance with Section 27-14-8, et seq., Code of Alabama 1975, on and after the effective date of this chapter.

482-1-024-.03 Procedure for Approval.

(1) Letter of Transmittal.

(a) Each submission should contain a letter of transmittal in duplicate.

(b) The letter of transmittal should list all forms submitted by form number.

(c) If the submission is a new form, the letter of transmittal should include a brief description of coverage. If the form is a replacement or revision, it should state the number of the form being replaced or revised and the purposes therefor.

(2) Submissions should include only one copy of each form submitted.

(3) Each submission should be accompanied by a self-addressed postage paid return envelope.

(4) If the form is being submitted by a company domiciled in a state other than Alabama, prior form approval of the specific policy form by its domiciliary state shall not be required unless specifically requested by the Alabama Department. The Alabama Department may require prior domiciliary state approval of specific policy forms when it deems such action necessary.

(5) If the form is found acceptable, the duplicate of the transmittal letter will be stamped "Approved" and returned to the company.

(6) Notices of rate increases and rate filings in general for accident and health policies, riders and endorsements are hereby requested to be filed with this Department on an informational basis only. This information shall be considered proprietary and trade secret information and shall not be subject to disclosure by the Commissioner to persons outside the Department of Insurance except as agreed to by the insurer or as ordered by a court of competent jurisdiction. No rate filings are requested for life insurance policies.

482-1-024-.04 Filings as Public Records. All life and accident and health policy forms, riders, endorsements and applications approved under this chapter shall be considered public records except for proprietary and trade secret information accompanying the filing. Policy form filings and accompanying materials filed for and awaiting approval

by the Department shall be considered proprietary and not a public record. Filings not considered public records shall not be subject to disclosure to persons outside the Department except as agreed to by the insurer or as ordered by a court of competent jurisdiction.

482-1-024-.05 Separability. If any provision of this chapter or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of the chapter and the application of its provisions to other persons or circumstances shall not be affected thereby.

482-1-024-.06 Effective Date. This chapter shall be effective upon its approval by the Commissioner of Insurance, and upon its having been on file as a public document in the office of the Secretary of State for ten days.

Appendix B

HHS Grant RFA-FD-10-999
CFDA 93.511

Alabama Department of Insurance

Pertinent State Laws

CURRENT ALABAMA INSURANCE STATUTES
FOR 2010 GRANT PROPOSAL

Code of Alabama 1975

In Chapter 4 of Title 10,
Article 6, Health Care Service Plans
(Pertinent section for purposes of grant)

Section 10-4-100

Applicability of article.

Any nonstock corporations organized not for profit for the purpose of establishing, maintaining and operating a health care service plan under which health services are furnished to such of the public who become subscribers to such plan pursuant to contracts are authorized and shall be governed by the provisions of this article.

(Acts 1935, No. 544, p. 1157; Code 1940, T. 28, §304; Acts 1945, No. 50, p. 52, §1; Acts 1973, No. 1041, p. 1631, §1.)

Section 10-4-109

Regulation of rates, charges, fees and dues.

The rates, charges, fees and dues to be paid by the public for benefits under said health service plan and for contracts or certificates covering same shall not be unreasonably high or excessive, shall be adequate to meet the liability assumed under such contracts and all expenses in connection therewith, shall be adequate for the safeness and soundness of the corporation and shall take into account past and prospective loss experience. Said corporation shall file with the Commissioner of Insurance any change in its rates, charges, fees and dues, and, as soon as reasonably possible after the filing has been made the commissioner shall, in writing, approve or disapprove the same, provided that, unless disapproved within 30 days after filing, such changed rates, charges, fees or dues shall be deemed to be approved by him. The commissioner shall approve such rates, charges, fees, and dues which are consistent with and shall disapprove such rates, charges, fees and dues which are not consistent with, the standards and factors set forth in the first sentence of this section; provided, that notwithstanding the foregoing, when a filing of changes in rates, charges, fees and dues for existing classifications of risks does not involve a change in the relationship between such rates and the expense portion thereof or does not involve a change of the element of expenses which are paid as a percentage of premiums and does not involve a change in rate relativities among such classifications on any basis other than loss experience, the changed rates in such filing shall become effective upon the date or dates specified in the filing and shall be deemed to meet the requirements of this section.

(Acts 1935, No. 544, p. 1157; Code 1940, T. 28, §311; Acts 1945, No. 50, p. 52, §4; Acts 1973, No. 1041, p. 1631, §1.)

Section 10-4-110

Examination power of Commissioner of Insurance.

The Commissioner of Insurance or any of his designated deputies or examiners shall have the power of visitation and examination into the affairs of such corporation, shall have free access to all books, papers and documents that relate to the business of said corporation and may summon and qualify witnesses under oath and examine them in relation to the affairs, transactions and conditions of the corporation and make public disclosure of his findings. Such examination shall be made at the expense of the corporation.

(Acts 1935, No. 544, p. 1157; Code 1940, T. 28, §311; Acts 1945, No. 50, p. 52, §4; Acts 1973, No. 1041, p. 1631, §1.)

CURRENT ALABAMA INSURANCE STATUTES
FOR 2010 GRANT PROPOSAL

Code of Alabama 1975

Pertinent sections of the Alabama Insurance Code

OVERALL RATE AUTHORITY

Section 27-13-2

Administration of laws relating to rates and rating systems.

The commissioner is charged with the duty of the administration of all laws now relating, or hereafter relating, to insurance rates and rating systems of all companies authorized to do business in the State of Alabama, with the exception of rates of life and health and accident business and rates of title insurance.

(Acts 1945, No. 118, p. 111, §2; Acts 1971, No. 407, p. 707, §253.)

OVERALL REGULATORY AUTHORITY

Section 27-2-17

Rules and regulations.

(a) The commissioner may make reasonable rules and regulations necessary for the effectuation of any provision of this title. No such rule or regulation shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.

(b) Any such rule or regulation affecting persons or matters other than the personnel or the internal affairs of the commissioner's office shall be made or amended only after a hearing thereon of which notice was given as required by Section 27-2-29. If reasonably possible the commissioner shall set forth the proposed rule, regulation, amendment or summary in or with the notice of hearing.

(c) No such rule or regulation as to which a hearing is required under subsection (b) of this section above shall be effective until after it has been on file as a public record in the commissioner's office and in the office of the Secretary of State for at least 10 days.

(d) Upon request and payment of the reasonable cost thereof, if required and fixed by the commissioner, the commissioner shall furnish a copy of any such rule or regulation to any person so requesting.

(e) The willful failure to comply with or willful violation of any material provision of a rule or regulation may be treated by the commissioner in the same manner as the willful failure to comply with or willful violation of any material provision of this title, but such action taken by the commissioner shall not be in the nature of a criminal penalty and shall be limited to suspension or revocation of licenses of agents or insurers doing business in Alabama.

(Acts 1951, No. 234, p. 504, §13; Acts 1971, No. 407, p. 707, §28; Acts 1975, No. 215, p. 739, §1.)

ALABMA SMALL EMPLOYER ALLOCATION PROGRAM

Section 27-52-20

Alabama Small Employer Allocation Program created.

There is hereby created the Alabama Small Employer Allocation Program which shall promote the availability of health insurance coverage to small employers regardless of their health status or claims experience, to prevent abusive rating practices, to prevent segmentation of the health insurance market based upon health risk, to spread health insurance risk more broadly, to require disclosure of rating practices to purchasers, to establish rules regarding renewability of coverage, to limit use of preexisting conditions exclusions, and to improve the overall fairness and efficiency of the small group health insurance market.

(Acts 1997, No. 97-713, p. 1476, §7.)

Section 27-52-21

Commissioner of Insurance; benefits offered to small employers; "small employer" defined.

(a) The Commissioner of Insurance shall, by regulation, establish the conditions, restrictions, requirements, and plan of operation of the Alabama Small Employer Allocation Program consistent with the requirements of the Health Insurance Portability and Accountability Act of 1996 and any and all federal regulations adopted pursuant thereto, which plan benefits shall be inclusive of the provisions of Sections 27-1-10 and 27-19-39. The program shall be patterned after the Small Employer Health Insurance Availability models developed by the National Association of Insurance Commissioners.

(b) All insurers that offer health benefit plans to small employers in this state on and after August 1, 1997, shall be required to meet the requirements of the program as a condition of authority to transact business in this state.

(c) For the purposes of this article, a "small employer" means any person, firm, corporation, partnership, association, political subdivision, or self-employed individual that is actively

engaged in business that, on at least 50 percent of its working days during the preceding calendar quarter, employed no less than two and no more than 50 eligible employees, with a normal work week of 30 or more hours, the majority of whom were employed within this state, and is not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. In determining the number of eligible employees, companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation by this state, shall be considered one employer.

(Acts 1997, No. 97-713, p. 1476, §8.)

Section 27-52-30

Consultation with State Board of Health.

The commissioner shall consult with the State Board of Health on all aspects related to the provision of medical services under the Alabama Health Insurance Plan and the Alabama Small Employer Allocation Program established under this chapter. All regulations, bylaws, policies, guidelines or directives issued by the commissioner applicable to the Alabama Health Insurance Plan and the Alabama Small Employer Allocation Program pertaining to the delivery of medical services, including, but not limited to, those items specified in subdivisions (8), (13), (14), (15) of Section 27-52-2 and Section 27-52-4, shall be promulgated with the concurrence of the State Board of Health.

(Acts 1997, No. 97-713, p. 1476, §9.)

HEALTH MAINTENANCE ORGANIZATIONS

Section 27-21A-2

Establishment of health maintenance organizations.

(a) Notwithstanding any law of this state to the contrary, any person may apply to the commissioner for and obtain a certificate of authority to establish and operate a health maintenance organization in compliance with this chapter. No person shall establish or operate a health maintenance organization in this state without obtaining a certificate of authority under this chapter. A foreign corporation may qualify under this chapter, subject to its registration to do business in this state as a foreign corporation under the provisions of Sections 10-2A-220, et seq.

(b) Health maintenance organizations licensed as of May 29, 1986, shall be issued a certificate of authority in accordance with Section 27-21A-29.

(c) Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, shall be in a form prescribed by the commissioner, and shall set forth or be accompanied by the following:

(1) A certified copy of the organizational documents of the applicant, such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents, and all amendments thereto;

(2) A certified copy of the bylaws, rules and regulations, or similar document, if any, regulating the conduct of the internal affairs of the applicant;

(3) A list of the names, addresses, official positions, and such biographical information as may be required by the commissioner concerning the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers in the case of a corporation, and the partners or members in the case of a partnership or association;

(4) A copy of any contract made or to be made between any persons listed in subdivision (3) and the applicant;

(5) A copy of the form of evidence of coverage to be issued to the enrollees;

(6) A copy of the form or group contract, if any, which is to be issued to employers, unions, trustees, or other organizations;

(7) Financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement shall be deemed to satisfy this requirement unless the commissioner directs that additional or more recent financial information is required for the proper administration of this chapter;

(8) A description of the proposed method of marketing, a financial plan which includes a projection of operating results anticipated until the organization has had net income for at least one year, and a statement as to the sources of working capital as well as any other sources of funding;

(9) A power of attorney duly executed by such applicant, if not domiciled in this state, appointing the commissioner and his successors in office, and duly authorized deputies, as the true and lawful attorney of such applicant in and for this state upon whom all lawful process in any legal action or proceeding against the health maintenance organization on a cause of action arising in this state may be served;

(10) A statement reasonably describing the geographic area or areas to be served;

(11) A description of the complaint procedures to be utilized as required under Section 27-21A-10;

(12) A description of the procedures and programs to be implemented to meet the health care requirements in subdivision (a)(2) of Section 27-21A-3;

(13) The applicant's most recent report of examination and all annual reports and other periodic reports filed by the applicant within the past year in the applicant's state of domicile and state within which it maintains its principal place of business, if different from state of domicile; as well as any similar reports which the applicant may be required to file under federal law, if applicable;

(14) Such other information as the commissioner or State Health Officer may require to make the determinations required in Section 27-21A-3.

(d)(1) An applicant or a health maintenance organization holding a certificate of authority granted hereunder shall, unless otherwise provided for in this act, file a notice describing any material modification of the operation set out in the information required by subsection (c). Such notice shall be filed with the commissioner and the State Health Officer prior to modification. If the commissioner does not disapprove within 30 days of filing, such modification shall be deemed approved;

(2) The commissioner or State Health Officer may promulgate rules and regulations exempting from the filing requirements of subdivision (d)(1) those items he deems unnecessary.

(e) An applicant, or a health maintenance organization holding a certificate of authority granted hereunder, shall file with the commissioner all contracts of reinsurance. Any agreement between the organization and an insurer shall be subject to the laws of this state regarding reinsurance. All reinsurance agreements and any modifications thereto must be approved by the commissioner. If the commissioner does not disapprove such agreements or modifications within 30 days of filing, such agreements or modifications shall be deemed approved. Reinsurance agreements shall remain in full force and effect for at least 90 days following written notice by registered mail or cancellation by either party to the commissioner.

(Acts 1986, No. 86-471, p. 854, §2.)

Section 27-21A-19

Regulations.

The commissioner may, after notice and hearing, promulgate reasonable rules and regulations, in accordance with Section 27-2-17, as are necessary or proper to carry out the provisions of this

chapter. The State Health Officer may promulgate such rules and regulations in accordance with the provisions of Sections 41-22-1, et seq.

(Acts 1986, No. 86-471, p. 854, §19.)

Section 27-21A-24

Filings and reports as public documents.

All applications, filings, and reports required under this chapter, except those which are trade secrets or privileged or confidential commercial or financial information, other than any annual financial statement that may be required under Section 27-21A-8, shall be treated as public documents. All testimony, documents, and other evidence required to be submitted to the commissioner or State Health Officer in connection with enforcement of this chapter shall be absolutely confidential and shall not be admissible in evidence in any other proceeding. The commissioner or the State Health Officer may withhold from public inspection any examination or investigation report for so long as they deem necessary to protect the person examined from unwarranted injury or to be in the public interest.

(Acts 1986, No. 86-471, p. 854, §24.)

TRADE SECRETS ACT EXCERPTS

Section 8-27-2

Definitions.

As used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) TRADE SECRET. A "trade secret" is information that:

a. Is used or intended for use in a trade or business;

b. Is included or embodied in a formula, pattern, compilation, computer software, drawing, device, method, technique, or process;

c. Is not publicly known and is not generally known in the trade or business of the person asserting that it is a trade secret;

d. Cannot be readily ascertained or derived from publicly available information;

e. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and

f. Has significant economic value.

(2) IMPROPER MEANS. "Improper means" are means such as:

a. Theft;

b. Bribery;

c. Misrepresentation;

d. Inducement of a breach of confidence;

e. Trespass; or

f. Other deliberate acts taken for the specific purpose of gaining access to the information of another by means such as electronic, photographic, telescopic or other aids to enhance normal human perception, where the trade secret owner reasonably should be able to expect privacy.

(3) PERSON. A "person" is a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(Acts 1987, No. 87-669, p. 1195, §1.)

Section 8-27-3

Misappropriation.

A person who discloses or uses the trade secret of another, without a privilege to do so, is liable to the other for misappropriation of the trade secret if:

(1) That person discovered the trade secret by improper means;

(2) That person's disclosure or use constitutes a breach of confidence reposed in that person by the other;

(3) That person learned the trade secret from a third person, and knew or should have known that (i) the information was a trade secret and (ii) that the trade secret had been appropriated under circumstances which violate the provisions of (1) or (2), above; or

(4) That person learned the information and knew or should have known that it was a trade secret and that its disclosure was made to that person by mistake.

(Acts 1987, No. 87-669, p. 1195, §2.)

Section 8-27-4

Remedies for actual or threatened misappropriation.

The remedies available for actual or threatened misappropriation of a trade secret are:

(1) To the extent that they are not duplicative:
a. Such injunctive and other equitable relief as may be appropriate with respect to any actual or threatened misappropriation of a trade secret,
b. Recovery of any profits and other benefits conferred by the misappropriation that are attributable to the misappropriation (In establishing the misappropriator's profits, the complainant is required to present proof only of the misappropriator's gross revenue, and the misappropriator is required to present proof of his or her deductible expenses and the elements of profit attributable to factors other than the trade secret.), and
c. The actual damages suffered as a result of the misappropriation;
(2) Reasonable attorney's fees to the prevailing party if:
a. A claim of actual or threatened misappropriation is made or resisted in bad faith,
b. A motion to terminate an injunction is made or resisted in bad faith, or
c. Willful and malicious misappropriation exists; and
(3) Exemplary damages in an amount not to exceed the actual award made under subdivision (1), but not less than $5,000, if willful and malicious misappropriation exists.

(Acts 1987, No. 87-669, p. 1195, §3.)

Appendix C

HHS Grant RFA-FD-10-999
CFDA 93.511

Alabama Department of Insurance

Project Director
Assistant Director
Resumes

ROBERT PAUL TURNER

(b)(6)

EDUCATION

Doctor of Chiropractic, summa cum laude, September 1985
Life College, Marietta, GA
Salutatorian, Class of September 1985

Bachelor of Science in Commerce & Business Administration-Finance, June 1969
University of Alabama, Tuscaloosa, AL

EXPERIENCE

Life & Health Insurance Form and Rate Analyst II (1999-present)
Alabama Department of Insurance, Montgomery, AL

- Evaluate all life, annuity and disability policy forms within 30 days submitted to ensure compliance with State insurance laws, regulations and bulletins. Ensure that disability policy forms conform to all applicable Federal requirements, including HIPAA, PPACA, and MHPA. Assist company compliance personnel, attorneys and actuaries with questions and problems as to policy filings and language.
- Investigate complaints and information requests from policyholders and consumers regarding disability insurance related rate problems, and policy language and underwriting issues. Researches Department and SERFF files to resolve issues and, when necessary, corresponds with companies to obtain additional data. Analyze and evaluate company actuarial data as to rate increase magnitude and legitimacy and respond to policyholders request for assistance. Work with Department Actuary and Legal Division as needed on these issues.
- Review of company disability rate filings within 30 days of receipt to determine if they are in compliance with applicable State insurance laws, regulations and bulletins. Work with Department Actuary and Legal Division on complex issues.
- Perform any related work for special projects and studies as requested by Deputy Commissioner or Commissioner using Department, National Association of Insurance Commissioners (NAIC) and other available resources as needed.
- Involved with NAIC activities including long term care, senior health, speed-to-market, and consumer information working groups. Extensive involvement with PPACA requirements. Review annual exemption required for AHIP. Attend related Department hearings and is a witness as needed. Assist Legal Division in preparation of applicable Department regulations and bulletins.

Durbin Chiropractic Center (1988-1998)
Alexander City, AL

- Associate doctor in chiropractic clinic.
- Responsible for patient care including, history, examination, X-ray, consultation, evaluation and treatment

Turner Chiropractic Center (1985-1988)
Russellville, AL, and Moody, AL

- Sole proprietorship chiropractic clinic
- Responsible for patient care including history, examination, X-ray, consultation, evaluation and treatment. Also performed all marketing and insurance billing duties.

Mutual of New York Insurance Company (1975-1982)
Atlanta, GA, Mobile, AL, Raleigh, NC

- Sales office manager.
- Responsible for filing insurance applications and other forms from field office to home office.
- Support team for agents and liaison to home office

New York Life Insurance Company (1969-1974)
Atlanta, GA, Chicago, IL

- Supervisor in regional customer sales office
- Worked in accounting, loan processing, policy changes and customer support areas.

KATHLEEN ANN HEALEY, ESQ.

(b)(6)

EDUCATION

Juris doctorate magna cum laude, December 2000
Jones School of Law, Faulkner University, Montgomery, Alabama
(Class rank: number one)
Alabama law license received April 27, 2001
Also admitted to U.S. District Court, Middle District of Alabama

Bachelor of Arts in Communication cum laude, May 1991
The University of Alabama, Tuscaloosa, Alabama

EXPERIENCE

Associate Counsel (2008-present)
Alabama Department of Insurance, Montgomery, Alabama

- Develops legal documents such as memos, arguments, opinions, briefs, administrative complaints as per the agency's regulatory authority.
- Represents the agency in hearings, trials and appeals.
- Researches legal resources and authorities to properly develop and implement strategies and accurately prepare necessary documents in order to represent the agency.
- Confers with appropriate parties regarding legal situations such as terms of contracts, pretrial orders, and settlement agreements.
- Analyzes information regarding legal issues and situations in the agency to determine most effective path for the agency.
- Coordinates the agency's professional services contractual requirements.
- Drafts departmental regulations and proposed legislation as required.

Staff Attorney (2005-2008)
Alabama Department of Senior Services, Montgomery, Alabama

- ***Legal Services Developer for the State of Alabama.*** As recipient of the Model Approaches to Legal Services U.S. Administration on Aging grant, charged with improving the system of providing legal assistance to seniors over age 60 including the development of a statewide Elder Law Helpline. As Legal Services Developer, charged with advocating for and strengthening the legal assistance program for seniors under the Older Americans Act.
- Drafted rules and regulations for the Alabama Department of Senior Services; reviewed rules, regulations, and bulletins for accuracy.
- Searched for, interpreted, and applied laws, court decisions, and other legal authorities in preparation of briefs, pleadings, and other legal papers in connection with suits, trials, and other proceedings.
- Prepared legal papers including all forms of contracts, court and hearing documents.
- Successfully applied for and received more than $700,000 in grants for the agency, including new and continued funding.
- ***State Health Insurance Assistance Program (SHIP) director.*** As director, revamped the current program to bring it into compliance with national standards. Such strategic planning included the creation of a volunteer training and certification program on Medicare; the establishment of program performance standards; and the development of risk management measures to ensure program integrity. Lead the program to successful Part D enrollment; Alabama ranked number one in the Southeast and fourth in the nation for achieving Centers for Medicare and Medicaid Services (CMS) enrollment goals. Testified before U.S. House Subcommittee on Oversight and Investigations regarding Predatory Practices with Medicare Advantage Marketing.

Director of Communications/Council on Medical Service (1999-2005)
Medical Association of the State of Alabama, Montgomery, Alabama

- Coordinated and directed the Council on Medical Service which addressed third party payment, prompt payment, Medicare and Medicaid regulations and reimbursement.
- Conducted policy and regulatory analysis, developed amicus briefs and other legal motions/pleadings as well as developed legislation under supervision of general counsel.
- Presented educational programs on legal, regulatory and HIPAA compliance to physicians and medical group management organizations.
- Advised physician members on interpretation of laws and regulations regarding the practice of medicine in consultation with general counsel.
- Represented the Medical Association on multiple task forces and committees regarding health, regulatory and legal issues.
- Co-managed the successful national election campaign of Jeff Terry, MD to the American Medical Association's Council on Medical Service.
- Managed Communications Department staff and handled all media relations.

Information Specialist, Alabama Department of Rehabilitation Services (1996-1999)
Montgomery, Alabama

- Developed and implemented strategic marketing plans for several divisions including employer development and children's rehabilitation services.
- Coordinated media/public relations network; selected Rehabilitation department employees charged with serving as local media/public relations contacts for their regional offices.
- Wrote, edited and produced newsletters, news releases and other publications.

Independent Consultant (1989-1997)
Montgomery, Alabama

- Provided public relations and marketing technical support to clients.
- Created fact sheets, newsletters and other publications for assorted projects and programs.
- Researched, wrote and marketed freelance articles.

Manager of Communications, Business Council of Alabama (1994-1996)
Montgomery, Alabama

- Wrote, edited and designed all printed material including newsletters, magazines, brochures and annual reports; received regional and statewide awards for work.
- Served as registered state lobbyist and media spokesperson.
- Developed Communications Department budget and goals.

Communications Coordinator, Mobile Area Chamber of Commerce (1992-1994)
Mobile, Alabama

- Wrote, edited and produced monthly newsletters; received regional and statewide awards.
- Edited, wrote and distributed news releases.
- Coordinated and presented various public relations seminars for business owners.

Communication Assistant, DCH Healthcare Authority (1991-1992)
Tuscaloosa, Alabama

- Created brochures, annual reports, fliers, advertisements and news releases for various programs and services.
- Developed activities and themes for special events/activities as needed.

ACTIVITIES

Alabama State Bar Association
American Bar Association
Montgomery County Bar Association
Sisters in Crime

SAMPLE OF PRESENTATIONS/ PROGRAMS

U.S. House of Representatives Committee on Energy and Commerce, Subcommittee on Oversight and Investigations, sworn testimony on Predatory Practices in Medicare Advantage Marketing, June 26, 2007.

Served on the faculty for the 2007 and 2008 National New SHIP Directors Conference, Maryland. Presented programs to new state directors and CMS central office/regional staff on how to develop, improve or modify state SHIP programs.

"Let's Talk Turkey about Medicare," Series of exhibits/presentations held in locations throughout Alabama; more than 1,000 seniors attended the events.

"The New Medicare Prescription Drug Plans," Educational seminars throughout Alabama for seniors; hundreds of attendees.

"What you still may not know about Medicare Part D," Guarding against Scams and Frauds: A conference for seniors, hosted by the Alabama Department of Senior Services and the Alabama Attorney General, statewide, hundreds of attendees.

"Update on Medicare Part D," Alabama Congressional Staff briefing.

"Medicare Part D and Medicare Advantage," Lakeland Community Hospital medical staff, Haleyville.

"Getting Ready for HIPAA," Managers of the Office of Physician Spouses, Montgomery

"HIPAA Basics," Medical Group Management Association of Alabama, Montgomery Chapter.

Numerous television programs related to the Medicare Prescription Drug benefit.

LAW SCHOOL ACTIVITIES/ AWARDS

Law Review Editorial Board, Jones School of Law
- Editor-in-Chief (2000), Business Manager (1999)

Student Bar Association, Jones School of Law
- Chairman, Constitutional Reform Committee (2000)
- Member, Special Investigations Committee (2000)

Delta Theta Phi Law Fraternity, Jones School of Law, Ingram Senate
- Vice Dean (2000), Clerk of the Roll (1999)

James C. Carter Scholarship Award (2001—graduate with the highest GPA)
West Group Outstanding Scholastic Achievement Award (1999-2000)
Dean's List (1997-2000)
Scholastic Achievement Certificate—Wills and Trusts (1999)
Corpus Juris Secundum Award for Civil Procedure, the West Group (1997)
Scholastic Achievement Certificate—Civil Procedure (1997), Introduction to Legal Studies (1997)

Alabama Department of Insurance
Grant for Health Insurance Premium
Budget Narrative/Justification – Page 1

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	$404,766	$0	$0	$404,766	A Project Director (Robert Turner) will spend 100% of his time on the project. ($61,347) An Assistant Project Director (Kathleen Healey) will spend approximately 50% of her time on the project ($40,393). A Communications Specialist will spend 100% of his time on the project ($32,287). Two Insurance Examiner IIs will spend 100% of their time on the project ($94,230) and one Ins Exam II (Jennifer Haskell) will spend 25% of her time on the project ($10,835). One Actuary (Steve Ostlund) will spend 25% of his time on the project ($29,804). A Consumer Complaint Sp II will spend 100% of his time on the project ($53,921). Two Consumer Complaint Sp IIs will spend approximately 25% of their time on the project ($23,795). An Accounting Director I (Sandra Steele), Accounting Manager (Audrey Griffin), and Senior Accountant (Lisa Pelham) will spend approximately 10% of their time on the project ($19,980). An IT Programmer will spend approximately 50% of his time on the project ($23,509). An IT Programmer Analyst (Melody Burton) will spend approximately 25% of her time on the project ($14,665).
Fringe Benefits	$163,069	$0	$0	$163,069	Fringe benefits include payroll taxes and employee benefits. The Alabama Department of Insurance will pay FICA costs of 7.65% ($30,964), retirement costs of 12.94% ($52,377), and monthly health insurance costs of $880 per FTE ($79,728).

Travel	$12,375	$0	$0	$12,375	**Out of State Travel – NAIC Conferences/Training for 5 Employees** Airfare $2,875 Hotel/Meals $7,500 Taxi $375 Registration $1,500 Misc $125 **In State Travel (Editorial Boards, Town Hall Meetings, Outreach Events**
	$17,175			$17,175	100 Trips at $11.25 per day Per Diem $1,125 10 trips x 2 days x $75 x 2 people - $3,000 Motor pool car rental $13,050
	$10,000			$10,000	Training/Seminars
Licensing Fees	$10,000 $25,000	$0	$0	$10,000 $25,000	Software (Examiners ACL Licensing Fees) SERFF Licensing and Upgrades
Supplies	$10,615	$0	$0	$10,615	Publications (Toolkits, Fact Sheets, FAQs, Reproduction/Printing)
Contractual	$187,000	$0	$0	$187,000	Consulting Actuaries will be hired on a contract basis.
Other	$150,000	$0	$0	$150,000	Insurer Examination Costs (Statutory expenses)
	$10,000			$10,000	Website (Graphics, Encryption Software, Current Management Systems Upgrades, Server rental space
$ Indirect Charges	$0	$0	$0	$0	No indirect charges
TOTAL	$1,000,000	$0	$0	$1,000,000	

BOB RILEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 502
POST OFFICE BOX 303351
MONTGOMERY, ALABAMA 36130-3351
TELEPHONE: (334) 269-3550
FACSIMILE: (334) 241-4192
INTERNET: www.aldoi.gov

ASSISTANT COMMISSIONER
REN WHEELER

DEPUTY COMMISSIONERS
D. DAVID PARSONS
CHARLES M. ANGELL (acting)

CHIEF OF STAFF
RAGAN INGRAM

CHIEF EXAMINER
RICHARD L. FORD

STATE FIRE MARSHAL
EDWARD S. PAULK

GENERAL COUNSEL
REYN NORMAN

July 1, 2010

The Honorable Kathleen Sebelius
Secretary, Deparment of Health & Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Sebelius:

The Grants to States for Health Insurance Premium Review-Cycle I program arrives at a critical time for the State of Alabama. As we delve into the ramifications of the Affordable Care Act, health insurance premium review provides an immediate challenge for our State. Section 27-13-2, Code of Alabama (1975), specifically prohibits the Comissioner of Insurance from reviewing health insurance rates:

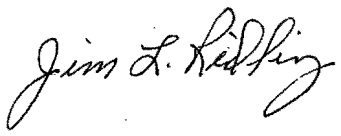
> *The commissioner is charged with the duty of the administration of all laws now relating, or hereafter relating, to insurance rates and rating systems of all companies authorized to do business in the State of Alabama, with the exception of rates of life and health and accident business and rates of title insurance.* (emphasis added)

There are many steps for Alabama to traverse in order to comply with the health insurance premium review components of the Act. We would prefer for the Alabama Legislature to bring State law into compliance with the Act's dictates on health insurance premium review. This will require coalition building to accomplish. Even without state legislative blessing, we understand that Federal law prevails in such matters. Accordingly, we must build internal systems and provide staffing to fulfill these requirements.

An initial grant of $1 million is crucial for a cash-strapped State such as Alabama to begin the process of creating a dynamic rate review system to ensure that our citizens' health insurance rates are reviewed properly and that rate fairness and equity is achieved. These funds will also enable us to increase our consumer outreach capabilities on matters of health insurance, while fully complying with the standards attached to the grant.

Since the enactment of the Act, our staff has logged scores of hours in an attempt to lay the groundwork for its implementation. I am pleased that our project leadership team of Dr. Robert Turner and Kathleen Healey, Esq., have developed a comprehensive plan to achieve our goals. This applicaton is one more item of evidence of our desire to ensure that Alabama cizens are provided the level of health care services they so richly deserve. This application has my full support.

Sincerely,



Jim L. Ridling
Commissioner of Insurance

JLR:GRI

BOB RILEY
GOVERNOR

JIM L. RIDLING
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 502
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CHIEF EXAMINER
RICHARD L. FORD

STATE FIRE MARSHAL
EDWARD S. PAULK

GENERAL COUNSEL
REYN NORMAN

July 1, 2010

The Honorable Kathleen Sebelius
Secretary, Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Sebelius:

Under my authority, the Alabama Department of Insurance, which is seeking $1 million from the Grants to States for Health Insurance Premium Review-Cycle I, hereby acknowledges that grant funds, per *Attachment A* of the "Invitation to Apply" may not be used for any of the following:

1. *Cover the costs to provide direct services to individuals.*
2. *Match any other Federal funds.*
3. *Provide services, equipment, or supports that are the legal responsibility of another party under Federal or State law (e.g.: vocational rehabilitation or education services) or under any civil rights law. Such legal responsibilities include, but are not limited to modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.*
4. *Supplant existing State, local, or private funding of infrastructure or services, such as staff salaries, etc.*

The Alabama Department of Insurance certifies it will comply with the dictates of the rules attached to the Grants to States for Health Insurance Premium Review-Cycle I.

Sincerely,

Jim L. Ridling

Jim L. Ridling
Commissioner of Insurance

JLR:GRI

OFFICE OF THE GOVERNOR

BOB RILEY
GOVERNOR

STATE CAPITOL
MONTGOMERY, ALABAMA 36130

(334) 242-7100
FAX: (334) 242-0937

STATE OF ALABAMA

June 28, 2010

The Honorable Kathleen Sebelius
Secretary, Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

Under my authority as the Governor of the State of Alabama, I proudly join the Alabama Department of Insurance and its Commissioner, Jim L. Ridling, in requesting that our state be awarded $1 million from the Grants to States for Health Insurance Premium Review-Cycle I program.

As the Department has ably outlined in its proposal for the grant, Alabama has worked well within the confines of a restrictive law to the best possible advantage of our citizens. I am confident that the plan Commissioner Ridling and his staff have developed will enhance the State's ability to effectively review health insurance rates for fairness and adequacy. Understanding that my term of office will conclude prior to the completion of the execution of the Department's efforts in this matter does not diminish my confidence in its ability.

With this confidence well grounded because of the past performance of the Department on a variety of insurance-related issues, I wholeheartedly support the Department's efforts to obtain this grant to improve its rate review of health insurance.

Sincerely,

Bob Riley
Governor

RRR:JLR:GRI

PROJECT NARRATIVE

The Alabama Department of Insurance's mission is to serve the people of Alabama by regulating the insurance industry, providing consumer protection, promoting market stability and enforcing fire standards safety and laws. The Affordable Care Act has transformed the health insurance market already and will continue to do so. In order to effectively meet these changes and challenges, the DOI must be positioned as the health insurance resource in the state and be able to timely respond to the dynamics of the changing market. This grant proposal marks the first step to achieving those goals. It is crucial that the DOI work diligently to achieve the proposals outlined in this grant application.

(A) CURRENT HEALTH INSURANCE RATE REVIEW CAPACITY AND PROCESS

Currently, the Alabama Department of Insurance (DOI) has limited statutory authority to review and approve or disapprove health insurance premiums. It can only review and approve or disapprove premiums for health care service plans and health maintenance organizations (HMO). DOI does not have statutory authority to review and approve or disapprove health insurance premiums for commercial insurers, although there are premium requirements for small group plans (50 lives or less) as required by federal HIPAA laws. (See Appendices A and B for current Alabama laws and regulations).

Our primary health care service plan in the state is Blue Cross Blue Shield of Alabama (BCBSAL). BCBSAL premiums are considered approved if they do not change the expense formula (Ala. Code § 10-4-109, see Appendix B). There are only a handful of HMOs in the state. HMO rates must be approved in advance of implementation. BCBSAL and HMOs must provide an actuarial justification for initial premiums and any premium increases. BCBSAL and HMOs are permitted to use issue age or attained age premiums, geographic premiums,

male/female premiums, and/or smoker/non-smoker premiums. Small group health plans' premiums are regulated under Regulation 482-1-116. (see Appendix B).

The Alabama DOI does not have general authority to impose rating rules such as community rating (except for small group) or rating bands. Because of this limited authority, the DOI does not have the ability to regulate health insurance premiums or to limit premium increases. With skyrocketing health insurance rates, health coverage has become unaffordable for many Alabama families. In the current environment, the DOI is:

- Unable to fully utilize information technology to support the DOI's rate review process and does not have the ability to cross-reference planned systems enhancements. In addition, the DOI does not currently have the ability to make rates and rate changes available to the public through electronic means such as a dedicated website that would provide rate information to the public.

- Unable to dedicate sufficient staff to adequately review any increase in filings as required by the Affordable Care Act.

- Unable to publicly disclose rates and rate changes to the public due to state laws and regulations which currently classifies this information as proprietary. As a result, the DOI does not have any laws or regulations that allow public access to rate filings.

- Unable to provide summaries of rate changes in plain language for consumers since the DOI does not have sufficient staff to perform such work.

- Unable to provide advance notice to consumers prior to proposed rate changes being implemented. Consumers are not provided with any documents nor is there an official comment period for consumers to review and comment on the proposed rate changes.

- Unable to adequately track and summarize the nature of consumer inquires and complaints.

- Unable to take actions against insurance companies regarding health insurance rates since the DOI does not have any statutory rate authority other than BCBSAL, HMOs and small employer groups.

As can be seen, this grant is critical to enabling the DOI to provide viable solutions to ensure Alabamians have access to health care insurance that is reasonable and that the protections and criteria that make up the Affordable Care Act are properly implemented.

(B) PROPOSED RATE REVIEW ENHANCEMENTS FOR HEALTH INSURANCE: A COMPREHENSIVE PLAN FOR ALABAMA

When the DOI receives the grant, several critical tasks will immediately begin and continue simultaneously throughout the duration of the grant cycle. These include three main objectives:

1. Establishing rate review and approval authority;
2. Standardization of rate review, approval and information submission; and
3. Public awareness, coalition building and grassroots development.

1. ESTABLISHING RATE REVIEW AND APPROVAL AUTHORITY

In conjunction with public outreach and education, the DOI will develop legislation to achieve rate review and approval authority. Development of new partnerships and leveraging existing partnerships and relationships with insurers, businesses and other organizations is key. The DOI has the authority to administer all laws relating to insurance rates and rating systems of all companies authorized to do business in the State of Alabama, with the exception of life

and health and accident lines and rates for title insurance. In the past, legislation has been introduced which would grant rate approval authority to the DOI regarding life and health rates, and unfortunately, the legislation failed to pass. In 2011, in addition to grant funding for the grassroots and communications outreach, a new administration will take office and new faces will be in the Alabama Legislature as the result of an election year. With these changes, the DOI anticipates more public support available to encourage the Legislature to act.

Additionally, the legislation will be revised in light of the Affordable Care Act with input from health insurers, health insurer organizations and business associations as well as the National Association of Insurance Commissioners (NAIC). This will create broad-based support from the very entities that would be regulated under the new law. With minimal anticipated opposition as a result of the new partnerships forged under the grant as well as the strengthening of existing relationships, the DOI is expects that the 2011 Legislative Session, which begins in March, will bring the long awaited authority to protect the consumers and businesses in this state.

As part of legislative reform efforts, the existing trade secrets law and confidentiality provisions within the insurance code and regulations which currently protect public rate disclosures will need to be modified to meet the terms of the Affordable Care Act.

2. STANDARDIZATION OF RATE REVIEW, APPROVAL AND INFORMATION SUBMISSION

DOI rate review and approval authority has been extremely limited; however, with the passage of the Affordable Care Act, the DOI anticipates a dramatic increase in the activities associated with health insurance filings, reviews and subsequent examinations to ensure solvency, adequacy, nondiscrimination and compliance with state and federal laws and regulations. This includes rate reviews and HHS requirements. Initial estimates show that approximately 60 health insurers are licensed in Alabama to issue the type of coverage

addressed by the Act. More research will determine exactly how many have written or are currently writing major medical among other health insurance products. However, this number gives an indication that the expected workload will be high.

In response, the DOI will reorganize its Rates and Forms Division. Currently, the DOI has one rates and forms analyst who handles reviews of all life, health, accident, annuity and disability insurance filings. As far as actuaries, the DOI currently utilizes one in-house actuary and one consulting actuary to handle the same workload. To ensure solvency, examinations are conducted every five years, but these examinations have not involved health insurance rates or rate changes.

Under the grant, the DOI proposes to create a Health Section under the Rates and Forms Division which would be dedicated to implementation of the Affordable Care Act. It is anticipated that this workload would only increase as the Act continues to phase in. Ongoing work will continue to be required. As a result, it is important that life and annuities rate reviews and tasks be segregated from health insurance in order to avoid overburdening staff.

Create Health Section in the DOI Rates and Forms Division. This Section would be charged with the following tasks and responsibilities:

- **Development of standardized filings.** A standardized filing format will enable the DOI and public to have access to the experience, assumptions, expenses and other items used by an insurance company to develop health insurance rates. This standardized format will enable companies to quickly assemble the information necessary for DOI review and allow DOI to approve, disapprove or request a modification of any rate change. Additionally, standardization will ensure that information provided by the insurance companies is consistent from company to company and will facilitate the review.

- **Development of Regulations, Bulletins, Policies and Procedures.** Regulations and Bulletins will also need to be developed in order to ensure consistency and clarification on DOI policies and procedures. These regulations would also govern disclosure and public access to rate filings. As part of this effort and in partnership with HHS, the DOI will develop parameters for rate review and approval. A complete set of factors to be used in the rate review including, but not limited to, medical loss ratios, the costs of medical care, the financial history of the company requesting the rate review and previous rate changes will be developed. The DOI also will develop comparisons of previous rate change projections as prepared by the company with actual emerging experience to determine whether the projections were appropriate, and if not appropriate, determine what actions need to be taken (reduce the implemented rate increase or require rebates as determined by the Act).

  Further, the DOI will develop procedures that explain how retrospective reviews are triggered and how they will be implemented. Those procedures will include how rebates are to be determined, what information is required in order to determine whether a rebate is required or not, how rates and rate changes are determined to be justified or not, and how rebates will be calculated and disbursed.

  Transparency will be a goal of any regulations developed. As a result, regulations will include sufficient comment periods for consumers and other interested parties to review and comment on proposed rate changes. The DOI will streamline processes for public meetings and/or hearings on rate filings.

- **Public information.** The DOI will develop a comprehensive description of the rate review process, so that it is understandable to all parties involved including, but not limited to, the insurance companies, DOI personnel, consumers and other interested parties. This information will be placed on the DOI website as required by the Act along

with the publicly required information in a manner that will help consumers and insurers understand the information provided. Additionally, the DOI will actively seek public input on grant initiatives, including regulations, public information and the manner in which it is presented.

- **Information technology system enhancements, upgrades and development.** The DOI will work on enhancements, redesign and upgrades of the existing information technology infrastructure to assist in the rate review process. These systems will be geared to ensuring seamless transmission of data and ease in making this information public. As part of these efforts, the DOI will revamp the DOI website so that consumers will have complete and accurate information about health insurance rates and rate changes prior to those rates and rate changes being implemented. Further explanation regarding the website enhancements are described elsewhere in this proposal.

- **Publication of rate data.** The DOI will develop systems and procedures so rate filings will be publicly disclosed. This public disclosure will be by means of the website, town-hall meetings and other avenues of public expression as described elsewhere in this proposal. The DOI will ensure that the information available from the companies is the same as the information being provided to the public by the DOI.

- **Examinations.** The DOI will develop examination procedures for examining the initial rates submitted by companies and the subsequent rate change requests submitted by companies. These examination procedures would involve reviewing the prior experience of the company to make sure that the initial rates are based upon appropriate experience. It will be necessary to verify that the experience takes into account the requirements of the Affordable Care Act. In subsequent examinations, the DOI will need to verify that the experience reported to the Department and HHS is

accurate and that the rate changes are based only upon that experience. As a result, initial examinations of companies by experienced examiners and actuaries will begin during the grant year to establish these benchmarks. Subsequent examinations are anticipated as part of the DOI's effort to effectively regulate these companies.

- **Staffing needs for the Health Section.** In order to accomplish the goals of this grant application and to adequately staff the Health Section of the Rates and Forms Division, the following staff will be allocated or added to the new Section:

    - **Examiners.** Two experienced examiners, along with actuarial support, will conduct these critical examinations of health insurers during the first year of the grant as described above.

    - **Actuaries.** The DOI currently has one actuary on staff to handle all life, health and annuity filings as well as one consulting actuary with similar expertise. During the initial examinations and grant year, in order to expedite the grant, the consulting actuary's contract will be increased to account for the additional work hours required to assist with examinations.

    - **Legal.** The assistant project director will also serve as the DOI's legal support and be primarily responsible, along with other Section members, for drafting regulations, legislation and other legal requirements to implement the grant and the Affordable Care Act in Alabama.

This new Section will function under a team approach. Other team members, who are described elsewhere in this grant proposal, will include a consumer services specialist, an information technology specialist, a communications specialist as well as DOI leadership—from the Commissioner to the governmental affairs manager. While each individual staff member will

have specific areas of expertise, the group will work together closely to implement the grant and upcoming changes to the health insurance market.

3. PUBLIC AWARENESS, COALITION BUILDING AND GRASSROOTS DEVELOPMENT

One of the most critical aspects of this grant will be the successful passage of legislation allowing the DOI to have rate review and approval authority for health insurance as defined by the Act. In order to accomplish this goal, the DOI must embark on a series of grassroots and outreach efforts on the Affordable Care Act and its requirements. Under this grant, the DOI will serve as the leading voice for health insurance regulation in Alabama and establish itself as the trusted resource for the business community, consumers, and state and local leadership. Several communication tools and public awareness avenues will be utilized to quickly disseminate useful information including rates and rating information as well as increase community support for DOI approval authority over health insurance rates.

- **Website.** The DOI currently maintains two websites. One serves as the main DOI website and includes information on all aspects of insurance (www.aldoi.gov). It has been criticized by consumer groups as being unfriendly and confusing with little helpful consumer information. The second site, www.healthinsurance.gov, was recently inherited from the Alabama Department of Public Health after that agency no longer wished to maintain the site. Since the DOI has taken control of the site, it has not updated the site nor provided information on rating, health care reform or current insurer information due to lack of appropriate staff. The DOI's main site is tied to several databases with the NAIC for reporting purposes as well as its internal data systems for public records. In order to create an informational site, expand information on the Affordable Care Act, and prepare the site for rate and rating data of insurers in easy to understand language and simplified directions, the DOI plans to consolidate the two

websites, enhance its main website to add increased flexibility, improve its design to aid in finding health care information quickly and easily, and to bolster its content management system for data sharing. The key to the information provided on the website, however, will hinge on DOI's ability to develop "plain English" language summaries of rate changes in order that consumers might easily understand and comprehend rate changes and how those rate changes would affect them.

- **Publications.** The internet serves as a quick and efficient way to disseminate information; however, the state has significant areas—especially in rural communities—where internet access is minimal. As health care reform progresses and rating requirements take effect, the practicality of quickly producing publications to educate businesses and individuals will be difficult. A basic toolkit will be developed where facts sheets can be quickly reproduced and replaced as information requires updating. These toolkits will be utilized in town hall meetings to provide comprehensive information on health insurance reforms including premium rate information as well as questions that need to be asked prior to purchasing health insurance, and "red flags" associated to help individuals identify health insurance sales abuses and fraud. Additionally, these toolkits will be exceedingly helpful as a quick reference tool for Alabama's businesses and citizens as they evaluate rates and compare plans.
- **Frequently Asked Questions.** A series of frequently asked questions (FAQs) will be developed by DOI staff and housed on the website. Additionally, these FAQs will be provided to the consumer services call center in order to enable existing staff in the call center to respond to basic inquiries. Communications staff and the health insurance consumer specialist in the Health Section of the Rates and Forms Division will develop these FAQs.

- **Town hall meetings.** A series of town hall meetings involving the NFIB (National Federation of Independent Business), the Business Council of Alabama and local Chambers of Commerce will be held throughout the state. These meetings will provide basic education on the health reforms under the Affordable Care Act, premium rate information and rating structures as well as the role of the DOI. A tour of the newly updated website to familiarize attendees with the information available online will also be a part of these meetings. It is expected that state and local officials will serve as speakers with the indirect goal of educating them on these issues in order to serve as referral resources to the DOI for further information such as premium rate information and rating structures, consumer protection and fraud reporting.
- **Media outreach.** Outreach to media outlets will also be critical to establish the DOI as the leading expert on changes in health insurance, the health insurance market and to answer questions as these changes take effect. News releases, public service announcements as well as a series of strategically placed editorial board meetings will be developed in order to position the DOI as the unbiased Alabama resource.
- **Staffing needs.** The DOI does not have a dedicated communications staff; rather spokesperson responsibility is directed to a governmental affairs manager. Under this grant, a communications professional would be included to develop and maintain website content on health insurance, create outreach messages, and develop press releases, public service announcements and informative publications designed to educate and inform Alabama businesses, insurers, individuals and coalition partners on the Affordable Care Act and its reforms as they are implemented. Anticipating increased calls and requests for assistance from the business community and individuals on health insurance as a result of the Affordable Care Act and the subsequent availability of rating information, a consumer specialist specializing in health insurance will be added to staff

to assist callers. This specialist will serve as the subject matter expert for other consumer specialists within the call center who do not have the expertise required, but who have a basic working knowledge of health insurance and can assist during high call volume.

(C) REPORTING TO THE SECRETARY ON RATE INCREASE PATTERNS

Section 2794 of the Public Health Services Act requires health insurance issuers offering individual or group coverage to submit to the Secretary and the relevant State a justification for an unreasonable premium increase.

Currently, Alabama insurance law does not give the DOI the authority to review and approve health insurance premium rates. When the health insurance rate review piece of the Affordable Care Act is implemented, all insurance carriers in the market covered by the Act will be required to file rate changes with the DOI for review and approval, and, if the rate change is above an HHS established benchmark, with the HHS Secretary as well. These filings will consist of actuarial memoranda, premium rates, additional material to justify these premium rate changes and other technical data including, but not limited to, earned premium, incurred claims, number of policyholders nationwide as well as in Alabama, and trend factors by benefit category. The DOI anticipates these filings to be large, complicated and time-consuming, and will require special expertise for diligent and timely review. This will require a reallocation of existing actuarial resources to handle this increased workload.

The DOI requires the filing of all insurance forms and rates to be made electronically via the System for Electronic Rate and Form Review (SERFF) which was developed and maintained by the NAIC. In order to comply with the requirements of Affordable Care Act as to reporting of rate information to the HHS Secretary and insuring this information is in the

public domain, the DOI will develop additional internal data systems and other crosswalks between competing systems to be able to pull this information from SERFF and convert to a viable reporting system for submission to the HHS Secretary and posting on the DOI's website. The DOI wants to ensure that this information is in a consumer-friendly format—easy to navigate, understandable, always current, and above all, useful.

It is anticipated that, as a result of the data sharing and data gathering which will be required under the grant, a more robust encryption software system will need to be developed to transfer data between HHS, SERFF and the DOI. An additional programmer may be required depending upon the amount of programming required for website upgrades, system enhancements and security issues between systems. Hard drive space may need to be increased on the virtual web servers as well as the application server.

(D) KEY PROJECT STAFF

The project manager and assistant project manager have been selected from existing staff based on their expertise in health care.

Dr. Robert Turner, who is a licensed chiropractor, currently serves as the DOI life, annuity, health and accident rate and forms analyst. During his tenure with the DOI, he has become well versed in such federal laws and initiatives as HIPAA, Mental Health Parity, COBRA, GINA, and the Affordable Care Act. As a former health care provider, he is familiar with the business of health care as well as the regulatory side of health insurance. During this grant, Dr. Turner will serve as project director. His responsibilities will include oversight of the project and grant implementation. Approximately 100 percent of his time will be dedicated to the grant. His resume is attached to this grant proposal. (See Appendix C).

Kathleen Healey, Esq., currently serves as associate counsel for the DOI and specializes in health law. She has more than ten years experience in communications outreach and association management. Prior to joining DOI, Ms. Healey served as staff attorney with the Alabama Department of Senior Services where she served as legal services developer under Title IIIB of the Older Americans Act, SHIP director and project director for Senior Medical Patrol. She has also worked with the Medical Association of the State of Alabama where she handled socio-economic, regulatory and compliance issues in health care involving HIPAA, Medicare, Medicaid and third party payors. She will serve as assistant project director and 50 percent of her time will be dedicated to the grant. Her resume is also attached to this grant proposal. (See Appendix C).

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Objective Work Plan

Project:

Premium Review Grant

* Year: 1

* Funding Agency Goal: GOAL 2: STANDARDIZE RATE REVIEW, APPROVAL AND INFORMATION SUBMISSION

* Objective:

(1) Health Section created.
(2) Create standard filing formats.
(3) Write and promulgate regulations to implement rate review and approval authority.
(4) Develop internal policies and procedures regarding rate review and approval.
(5) Write bulletins, if necessary, to clarify DOI policies and procedures.
(6) Design information technology systems to assist in the process.
(7) Develop and conduct examinations.

* Results or Benefits Expected:

Health Section personnel hired and in place; standardized filing formats will be developed; regulations implemented; internal policies created; bulletins written; IT systems developed; examinations conducted.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
1. Hire communications specialist. 2. Increase consulting actuary contract to reflect increased needs. 3. Hire consumer services specialist.	Commissioner or his designee	08/30/2010	01/03/2011	0
1. Write and create standardized filing formats. 2. Work with NAIC to develop checklist for SERFF filings.	Project director, consulting actuary	08/30/2010	01/03/2011	0
1. Determine what regulations for rate review and approval need to be written, modified or rescinded and prepare them. 2. Upon passage of required legal authority, promulgate draft regulations with ample time for comment and adoption.	Project director; attorney/ asst. project director; consulting actuary	08/30/2010	07/29/2011	0
1. Create methodologies for reviewing rates and rate increases.	Project director, Attorney/ asst. project director, consulting actuary	08/30/2010	12/01/2010	0

OMB Number: 0980-0204
Expiration Date: 12/31/2009

Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
1. As project implementation progresses, utilize bulletin to inform companies of requirements.	Project director, attorney/ asst. project director, consulting actuary	08/30/2010	09/30/2011	0
1. Analyze current systems. 2. Determine how to compile information from insurers utilizing SERFF. 3. Transmit and share data with HHS and consumers. 4. Build system crosswalks.	Project director, consulting actuary, IT staff, commnications specialist	08/30/2010	12/30/2010	0
1. Develop examination procedures. 2. Schedule and conduct initial examinations. 3. Subsequent market conduct and rate review examinations conducted as rates filed.	Project director, examiners, consulting actuary	08/30/2010	09/30/2010	0

* Criteria for Evaluating Results or Benefits Expected:

Systems are in place; regulations and bulletins promulgated; and examinations initiated.

ALDOI Organizational Chart

(Effective September 1, 2009)