

**"Accident and Health Filing Reform Act"**

<b>History</b>	1996, Dec. 18, P.L. 1066, No. 159, § 15, eff. 2-17-97.
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**40 P.S. § 3803 –**

**(c) Individual rates.** – Each insurer and HMO shall file with the department **rates for individual accident and health insurance policies** which it proposes to use in this Commonwealth, except those rates which, in the opinion of the commissioner, cannot practicably be filed before they are used. The commissioner shall publish notice in the Pennsylvania Bulletin identifying rates which the commissioner determines cannot practicably be filed.

**(d) Certain group rates exempt.** – Except as provided in subsection (e), an insurer shall not be required to file with the department rates for accident and health insurance policies which it proposes to issue on a group, blanket or franchise basis in this Commonwealth.

**(e) Required group rate filings.** – Each hospital plan corporation, professional health services plan corporation and HMO shall file with the department rates for accident and health insurance policies which it proposes to issue on a group, blanket or franchise basis in this Commonwealth, in accordance with the following:

**(1)** Each hospital plan corporation, professional health services plan corporation and HMO shall establish a base rate which is not excessive, inadequate or unfairly discriminatory. The initial base rate for existing hospital plan corporations, professional health services plan corporations and HMOs shall be the rate or the rating formula currently on file and approved by the department as of the effective date of this act. The initial base rate or base rating formula for any hospital plan corporation, professional health services plan corporation or HMO with no base rate or base rating formula on file and approved as of the effective date of this act shall be subject to filing, review and prior approval by the department.

**(2)** Proposed changes to an approved base rate or any approved component of an approved rating formula which effect an increase or decrease in the approved base rate or in an approved component of an approved rating formula of more than 10% annually in the aggregate shall be subject to filing, review and prior approval by the department.

**(3)** Proposed changes to an approved base rate or any approved component of an approved rating formula which effect an increase or decrease in the approved base rate or in an approved component of an approved rating formula of not more than 10% annually in the aggregate shall be subject to filing and review in accordance with the provisions of section 4 -§ 40-89-104.

**(4)** Rates developed for a specific group which do not deviate from the base rate or base rate formula by more than 15% may be used without filing with the department.

**(5) Rates developed for a specific group which deviate from the base rate or base rate formula by more than 15% shall be subject to filing and review in accordance with the provisions of section 4.**

**(6) The commissioner shall have discretion to exempt any type or kind of rate filing under this subsection by regulation.**

**(f) Applicability of filings. — All filings required by this section shall be made no less than 45 days prior to their effective dates. Filings under subsection (e)(1) and (2) shall be deemed approved at the expiration of 45 days after filing unless earlier approved or disapproved by the commissioner. The commissioner, by written notice to the insurer, may, within such 45-day period, extend the period for approval or disapproval for an additional 45 days. All other filings under this section shall become effective as provided in section 4.**

**Review of filings; approval; disapproval; resubmissions**

**40 P.S. § 3804 –**

**(a) General rule. — Filings shall be reviewed as appropriate and necessary to carry out the provisions of this act. Unless a filing is disapproved by the department within the 45-day period provided in section 3(f), § 40-89-103(f) filings made under section 3 § 40-89-103. shall become effective for use 45 days following:**

**(1) the expiration of any public comment period established by the commissioner under section 11; § 40-89-111.or**

**(2) receipt of the filing by the department if no public comment period is established.**

**(b) Disapproval. — Disapproval of a filing shall be based only on specific provisions of applicable law, regulation or statement of policy or if insufficient information is submitted to support the filing. Rates filed under section 3(e) § 40-89-103(E).shall not be disapproved unless the rates are determined to be excessive, inadequate or unfairly discriminatory.**

**(c) Resubmission. — A filing disapproved by the department may be resubmitted within 120 days after the date of the disapproval. Filings resubmitted within this time shall become effective for use 30 days after the receipt of the resubmission by the department unless the filing is disapproved by the department before the expiration of the 30-day period. This subsection shall not apply to filings made prior to the effective date of this act.**

**(d) Disapproval of resubmissions. — Disapproval of a filing resubmitted under subsection (c) shall be based only on specific provisions of applicable law, regulation or statement of policy or if insufficient information is submitted to support the filing. Disapproval may not be based on any**

grounds not specified in the initial disapproval issued by the department, except to the extent that new information is presented in the resubmission.

(e) **Subsequent resubmissions.** — Any further resubmission following a second disapproval shall be considered a new filing and reviewed in accordance with subsection (a).

(f) **Commissioner's discretion.** — Nothing in this section shall be construed to prevent the commissioner from affirmatively approving a filing, at the commissioner's discretion.

**40 P.S. s 3805 - Notice of disapproval** - Upon the disapproval of any filing under this act, the department shall notify the insurer or HMO of the disapproval in writing, specifying the reason or reasons for such disapproval.

**40 P.S. s 3807 - Request for hearing upon disapproval** -

(a) **Request for hearing.** — Within 30 days from the date of mailing of a notice of disapproval of a filing under this act, the insurer or HMO may make a written application to the commissioner for a hearing.

(b) **Hearing.** — Upon receipt of a timely written application for hearing, the commissioner shall schedule and conduct a hearing as provided in 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action). All of the actions which may be performed by the commissioner in this section may be performed by the commissioner's designated representative.

**40 P.S. s 3808 - Hearings; orders and rulings; suspension of forms or rates**

(a) **General rule.** — Any form or rate filed and used after the expiration of the appropriate review period under this act may be subsequently disapproved. The commissioner shall notify the insurer or HMO in writing and provide the opportunity for a hearing as provided in 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency actions).

(b) **Discontinuance of form.** — If, following a hearing, the commissioner finds that a form in use should be disapproved, the commissioner shall order its use to be discontinued for any policy issued after a date specified in the order.

(c) **Discontinuance of rate.** — If, following a hearing, the commissioner finds that a rate in use should be disapproved, the commissioner shall order its use to be discontinued prospectively for any policy issued or renewed after a date specified in the order.

**(d) Suspension of forms. — Pending a hearing, the commissioner may order the suspension of use of a form filed, if the commissioner has reasonable cause to believe that:**

**(1) The form is contrary to applicable law, regulation or statement of policy.**

**(2) Unless a suspension order is issued, insureds will suffer substantial harm.**

**(3) The harm insureds will suffer outweighs any hardship the insurer will suffer by the suspension of the use of the form.**

**(4) The suspension order will result in no harm to the public.**

**(e) Suspension of rates. — Pending a hearing, the commissioner may order the suspension of use of a rate filed and reinstate the last previous rate in effect if the commissioner has reasonable cause to believe that:**

**(1) The rate is excessive, inadequate or unfairly discriminatory under section 4(b) § 40-89-104(b).**

**(2) Unless a suspension order is issued, insureds will suffer substantial harm.**

**(3) The harm insureds will suffer outweighs any hardship the insurer will suffer by the suspension of the use of the form.**

**(4) The suspension order will result in no harm to the public.**

**40 P.S. § 3811 - Public notice**

**Public notice of filings made under this act shall not be required. At the commissioner's discretion, however, notice of a filing may be published in the Pennsylvania Bulletin and a time period established for the receipt of public comment by the department.**

**APPLICATION COVER SHEET**

**IDENTIFYING INFORMATION:**

Grant Opportunity: **HHS Health Insurance Rate Review Grants-Cycle I**

DUNS #: 60-951-3544 Grant Award: \$1 million

Applicant: Pennsylvania Insurance Department

Primary Contact Person, Name: Shelley Bain – Director, Policy Office

Telephone Number: (717) 787-0873 Fax number: (717)772-1969

Email address: sbain@state.pa.us

**MAINTENANCE OF EFFORT:**

Grant funds will not be used to supplant existing rate review activities. Grant funds will only be used to enhance Pennsylvania's existing rate review efforts and will not substitute for existing funding of such efforts.

Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120  
7 July 2010

Health & Human Services  
Office of Consumer Information and Insurance Oversight  
Subj: Application Cover Letter  
200 Independence Ave, S.W.  
Washington, DC 20201

The General Assembly of Pennsylvania has enacted statutory authority for the Insurance Department to review certain rates for individual accident and health policies, HMO policies and group rates filed by hospital plan corporations and professional health services plan corporations (Blue Cross and Blue Shield policies). This authority is cited in Act 159 of 1996. Under this authority the Insurance Department reviews all rate filings for individual, HMO and Blue Cross and Blue Shield policies to determine that they are not excessive, inadequate or unfairly discriminatory. The Department has the authority to disapprove these rate filings if it is determined that the rates are unsupported by actuarially sound data. Group policies issued by commercial insurers other than HMO's and Blue Cross and Blue Shield companies are not subject to filing requirements and do not require Departmental prior review or approval.

Within this general framework, there are additional gaps in the Department's authority, such as out of state trusts that insure individuals under policies that are not subject to review in Pennsylvania, and for-profit subsidiaries of the non-profit Blue Cross and Blue Shield plans that insure groups under policies that are not subject to rate review. The result is that the Department has limited authority over rates in the individual and small group markets, and one consequence of this limited

authority is that insurers use medical questionnaires and other forms of aggressive underwriting and rating to create a marketplace that is highly segmented by health status and other risk factors that will not be allowed when federal reform is fully implemented in 2014.

The Rendell Administration has been pursuing legislation that would improve the current marketplace and make for a smooth transition to the 2014 marketplace, with exchanges and no health-based discrimination on rates. The Pennsylvania House of Representatives passed bills in 2008 and 2009 that would have given the Department broad rate review authority and established rate bands, a ban on health-based rating, and other rating reforms similar to the federal reforms that will govern in 2014. But the Pennsylvania Senate has not taken action on those bills or any other significant reforms in the individual or small group market and HB 746, which has passed the Pennsylvania House is pending in the Senate.

The Department also has increased its regulatory oversight of market practices, including a current study of how insurers are using medical questionnaires in the small group market, to determine if there are ways to reform these practices under current law in a manner that will minimize market disruption between now and 2014.

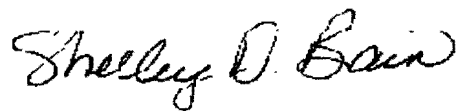
In this context, the Department proposes to use grant funding to pursue a three part agenda:

1. Collect rate-related data from insurers and build a sophisticated data base for the individual and small group markets similar to the data base the Department currently maintains for the auto market;

2. Enhance our regulatory review of rates where we currently have authority, as well as in cases of "unreasonable" increases as that term gets defined by HHS; and
3. Enhance our regulatory oversight of market practices that generate consumer complaints or otherwise appear to be causing market disruption in the transition to federal reform.

The Pennsylvania Insurance Department appreciates the opportunity to apply for this Health Insurance Premium Review Grant provided under the Affordable Care Act and looks forward to working with HHS throughout this process. The Department will not hire additional staff with grant funding, but will utilize the funds to enhance the Department's work in these three areas, including contracting with experts who can train and otherwise assist the Department in achieving its goals. The Department plans to utilize the grant to build the framework for an enhanced and more robust rate review process and to provide more consumer friendly information to Pennsylvania consumers.

Sincerely,



Shelley D. Bain

Director, Policy Office



**BUDGET NARRATIVE FOR HHS HEALTH INSURANCE RATE REVIEW GRANTS –**  
**Total Estimated Budget: \$1,000,000**

The estimated budget and allocations of that budget for this project will be:

**\$500,000 - Actuarial Support Services** – More robust rate review, data collection, and development of database for analysis of rate data. Development of consumer comparison rate chart, rate level index and determination of rates that are excessive, unjustified or unreasonable. Develop data collection system, portal enhancements, Collaboration Room for enhanced premium rate data collection.

**\$448,771 - Other** – Legal services, Database enhancements, Office Modifications:

Develop a health premium review program to enhance the Departments ability to review health insurance premium rates. These entities will provide required legal services to investigate current and proposed statutory premium rate review authority and authority to use and disclose data collected from the industry. This includes database enhancements, computer support services, managerial support services, enhanced tools for market oversight activities and the ability to deliver within the time frames required by HHS to satisfy the project objectives.

**\$21,024 - Travel**

**\$18,205 - Equipment and SERFF assessment for HHS**

**\$12,000 - Office Supplies**

**Proportional Allocations:**

**Database:** Proportion Designated – 50% The Department will contract for the design, development and implementation of a database utilizing a Collaboration Room as a sub-component of the Departments Web Portal known as AquaLogic to allow an internal and external exchange of files to feed information in a secure environment that will capture the required health industry data. This effort will supplement data collection and analysis techniques effort that will be pursued by the

Department to gather product and premium rate data required from health insurers, to develop a consumer comparison chart and a rate level index that will disclose in a transparent manner premium rate variations to consumers and identify trends for health insurance premiums in our market.

**Enhancing Rate Review:** Proportion Designated – 30% The Department will utilize grant funds to build the framework for an enhanced and more robust health rate review process, including contracting for actuarial and other expertise that can enhance our internal reviews. The model for such contracting will be the process the Department currently uses to enhance our actuarial review of companies during financial examinations. In an effort to enhance the evaluation and transparency of rate filings, the Department will restructure our current rate review process with the use of actuarial consultants who will assist the department in critically examining proposed rate increases and rigorously reviewing submitted rate filings. Consultants will assist the department in developing new and more efficient rate review procedures and will assist and train current departmental staff. We will also consider successes from other states in reviewing and modifying rate increases and use lessons learned from those states to improve our own rate review procedures.

**Enhanced Market Oversight:** Proportion Designated – 20% The Department intends to have as part of this project a functional Consumer Dedicated response unit to receive and address Consumer Premium Rate Increase inquiries and complaints and explain how the consumer may use the consumer comparison chart to facilitate better premium choices in selecting their health care. Also, a component of this will include developing the capability to investigate, analyze, recommend and develop and enhance tools to identify and effectively control health insurance premium rate increases. Non-compliance activities reported or discovered by the Department will be thoroughly investigated as part of the review project.



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

July 7, 2010

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

Dear Secretary Sebelius,

In response to your letter of June 7, 2010, I am pleased to endorse the Pennsylvania Insurance Department's application for the first cycle of Health Insurance Premium Review Grants provided under the Affordable Care Act.

The General Assembly of Pennsylvania has enacted statutory authority for the Insurance Department to review certain rates for individual accident and health policies, HMO policies and group rates filed by hospital plan corporations and professional health services plan corporations. Under this authority the Insurance Department reviews all rate filings for individual, HMO and Blue Cross and Blue Shield policies to determine that they are not excessive, inadequate or unfairly discriminatory.

This grant would strengthen the Department's oversight of health insurance premium rates in Pennsylvania, improve the current marketplace, and make for a smooth transition to the 2014 reformed marketplace.

In this context, the Department proposes to use grant funding to pursue a three part agenda:

1. Collect data from insurers and build a sophisticated data base for the individual and small group markets to provide information that staff may use in the review of premium rate increase requests, and to provide information to consumers concerning health insurers and health insurance products in Pennsylvania;
2. Enhance its regulatory review of rates where it currently has authority, as well as in cases of "unreasonable" increases as that term gets defined by HHS; and
3. Enhance its regulatory oversight of market practices that generate consumer complaints or otherwise appear to be causing market disruption in the transition to federal reform.

This grant will allow the development and implementation of a program which will greatly improve the Department's role in premium rate oversight and provide Pennsylvania consumers with information necessary to help them make informed health care decisions.

Sincerely,

  
Edward G. Rendell  
Governor

# Objective Work Plan

Project:

\* Year:      \* Funding Agency Goal:

\* Objective:

\* Results or Benefits Expected:

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours

# Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours

\* Criteria for Evaluating Results or Benefits Expected:

Position Description:  
Peter Camacci  
Director, Bureau of Accident & Health

Position Purpose: Describe the primary purpose of this position and how it contributes to the organization's objectives. Example: Provides clerical and office support within the Division to ensure its operations are conducted efficiently and effectively.

Plans, directs and coordinates the program area's review, analysis and approval or disapproval of accident and health insurance products (i.e., rates, rules and policy forms), according to the applicable Pennsylvania laws and regulations, accepted actuarial practices and internal Departmental procedures and guidelines.

Description of Duties: Describe in detail the duties and responsibilities assigned to this position. Descriptions should include the major end result of the task. Example: Types correspondence, reports, and other various documents from handwritten drafts for review and signature of the supervisor.

1. Plans, directs and coordinates the program to review, analyze and approve or disapprove accident and health insurance rates, rating plans, rating procedures and schedules.
2. Plans, directs and coordinates the program to review, analyze and approve or disapprove accident and health rate filings, insurance policies and related forms, and other package type policies.
3. Directs the collection and analysis of statistical data supporting decisions relating to accident and health insurance policy forms and rate filings.
4. Directs the preparation of information and testimony to be used in administrative hearings and court proceedings.
5. Drafts regulations and guidelines interpreting laws relating to accident and health insurance and assists in drafting legislation in the area of property and casualty insurance.
6. Corresponds and confers with accident and health insurance company officials regarding company operations, marketing procedures, and rate and policy form filings.
7. Plans and organizes work, assigns work, determines work priorities,

sets goals and reviews and evaluates employee work performance.

8. Assesses training needs of staff and develops plans to meet those needs.

9. Acts as a spokesperson on property and casualty issues.

10. Performs related work as required.

Decision Making: Describe the types of decisions made by the incumbent of this position and the types of decisions referred to others. Identify the problems or issues that can be resolved at the level of this position, versus those that must be referred to the supervisor. Example: In response to a customer inquiry, I research the status of an activity and prepare a formal response for my supervisor's signature.

Administrative staff gives all incoming A&H insurance product filings to the Policy Forms Supervisor. The supervisor assigns all product rate and rule filings to actuarial staff according to the bureau's standards and guidelines and reviews the results of work performed before presentation to the Director and/or Deputy Commissioner. The Policy Forms Supervisor gives all product form filings to the Director for assignment. The Director assigns all product form filings to policy examiner staff and reviews the results of work performed before presentation to the Deputy Commissioner, as needed.

The Director assigns specific projects or reports to actuarial or policy examiner staff and reviews work performed before presentation to the Deputy Commissioner.

Requirements Profile: Identify any requirements, such as a licensure, registration, or certification, which may be necessary to perform the functions of the positions. Position-specific requirements should be consistent with a Necessary Special Requirement or other criteria identified in the classification specification covering this position. Example: Professional Engineer License

1. N/A

2. N/A

3. N/A

Essential Functions: Provide a list of essential functions for this position. Example: Transports boxes weighing up to 60 pounds.

1. Directs rate/rule filing review

2. Directs/assigns form filing review
3. Supervises the program area
4. Corresponds with insurance companies
5. Communicates, orally and in writing
6. Assists other Departmental offices
7. Provides assistance to external parties
8. Travel
9. Performs other assigned work
- 10.



## **Project Abstract: Premium Review Grant**

### **Goals and Objectives:**

1. Enhance data collected from insurers and build a data base similar to provide more transparency and consumer-friendly information on rate filings.
2. Enhance regulatory review of rates where we currently have authority, as well as in cases of "unreasonable" increases as that term gets defined by HHS; and
3. Enhance regulatory oversight of market practices that generate consumer complaints or may cause market disruption.

**Budget:** \$1,000,000.00 Budget details are provided in the SF – 424A Form.

### **Program Description:**

The program will be developed and implemented in the following manner:

1. Data base. Collect rate-related data from insurers and build a data base similar to provide more transparency and consumer-friendly information on rate filings.  
The Department will develop a standardized reporting methodology and data collection system to create and maintain a rate level index for health insurance premiums. The data will be used to develop new consumer accessible premium comparison charts, respond to consumer inquiries and complaints related to rates, review rate filings, develop additional statutory tools necessary for improved operations, investigate any non-compliance activities, and develop a rate reporting system consistent with HHS requirements. The data will be used to satisfy new HHS reporting requirements.
2. Rate review. Enhance regulatory review of rates where we currently have authority, as well as in cases of "unreasonable" increases as that term gets defined by HHS;  
The Department will utilize grant funds to build the framework for an enhanced and more robust health rate review process, including contracting for actuarial and other expertise that can enhance our internal reviews. The model for such contracting will be the process the Department currently uses to enhance our actuarial review of companies during financial examinations. In an effort to enhance the evaluation and transparency of rate filings, the Department will restructure our current rate review process with the use of actuarial consultants who will assist the department in critically examining proposed rate increases and rigorously reviewing submitted rate filings. Consultants will assist the department in developing new and more efficient rate review procedures and will assist and train current departmental staff. These development and training opportunities will allow the department to rely on its internal resources in future years.
3. Market oversight. Enhance regulatory oversight of market practices that generate consumer complaints or may cause market disruption.  
The Department will utilize grant funds to enhance our market oversight of rating practices, through additional examinations of companies rating practices. The Market Regulation program identifies both real and potential problems in the regulatory scheme using data, analysis, education, and studies. The Department will further develop the department's consumer education and outreach materials to allow consumers to be more knowledgeable about health insurance.

## **PROJECT NARRATIVE**

### **a) Current health insurance rate review capacity and process**

#### **General health insurance rate regulation information**

**Which health insurance products (HMO, PPO etc) are licensed and regulated by the States' DOI or the relevant state agency by market segment (e.g. small group, large group, individual markets, not for profit as applicable).**

The Pennsylvania Insurance Department (PID) reviews all rate filings for individual products. PID reviews rates for group policies issued by hospital plan corporations and professional health services plan corporations ("Blue Plans") and HMO's. PID has no statutory authority to require the filing of rates for group policies issued by commercial insurers (including commercial insurer subsidiaries of Blue Plans).

**Rating rules (e.g. adjusted community rating, rating bands, and actuarial justification) and case characteristics used (e.g. geographic location and age) for rate regulation by market segment together with a description of the rating rules in the narrative and including copies of any relevant statutory and regulatory authority as an appendix to the application.**

Health insurers use community rating, adjusted community rating/demographic rating, and experience rating when setting rates for health insurance products. Permitted rating factors for individual products include age, gender, tier (single, family, etc.), health status and area. Demographic rating is permitted on groups with two or more enrollees. Permitted demographic rating factors are age, gender, family tier, industry, and area. For small groups a maximum aggregate demographic factor of 1.5 is permitted. Experience rating is permitted for groups with greater than fifty enrollees. Regulatory authority for rates for individual rates is 31 Pa. Code § 89.83. Authority for group rates is 40 P.S. §3803(e).

#### **Health Insurance rate review and filing requirements including:**

**A description of the type of data included in insurers' rate filings. If there is a standardized filing format, if permitted under State Law, provide a sample health insurance rate filing as an appendix to the application, a redacted version is acceptable.**

A rate filing includes an actuarial memorandum that gives an explanation of the rate justification and all underlying rating assumptions, benefit changes and adjustments used in the development of rates. The data in the filings include total income (based on current rates and membership), the experience claims data that is used in developing the proposed rate/rates, historical loss experience data for developing trends, number of contracts (current and projected), number of members, and/or member-months, requested trends, administrative expenses, retention items, effective date of the proposed rates and the proposed rates. Filings from Blues Plans also include a financial exhibit that shows subscription income (current approved rates multiplied by enrollment), number of contracts/subscribers, paid claims, incurred claims, administrative expenses and the net income/loss by calendar years. A standardized format is used for HMO rate review, and must include experience data (incurred claims, number of services/days, utilization, unit cost and PMPM), trends and adjustments, the projected utilization, unit cost and PMPM for the rating period and rate slopes.

**A comprehensive description of the rate review process, including rates subject to review, resources and a breakdown of State staff and private sector consultants, if any employed in the review process.**

PID reviews all rate filings for individual products. PID reviews rates for group policies issued by hospital plan corporations and professional health services plan corporations ("Blue Plans") and HMO's with a staff of 5 health actuaries. No private sector consultants are currently used in the rate review process.

The review procedure for rates is set forth in Act 159 which allows 45 days for PID to review a filing and either approve or disapprove the filing. If a filing is disapproved, PID notifies the company in writing, specifying the reasons for the disapproval. The company may resubmit the filing within 120 days, or may make written application for a hearing.

In addition to analyzing the information described above, when reviewing a rate filing the department estimates the pure premium trend by using regression analysis to develop long-term and short-term trends based on 3 months, 6 months and 12 months moving averages. The calculated trends are reviewed with consideration given to changes in provider contracts, changes in managed care practices and other factors that might affect future trend when choosing the trend that will be used in PID's calculation of the required rate increase. If available, the trend analysis will review the cost and utilization trend separately as well as the pure premium trend. The historical administrative expenses, member months of exposure, previously approved administrative expenses and new expenses resulting from government regulations are considered when determining the administrative expenses to be included in the Department's calculation of the required rate.

Using the trends and factors determined from the above review, PID calculates the required income, which is compared to the income at the current rate level. If the increase is within a reasonable margin of the requested rate increase, approval of the requested rate increase will be recommended. If PID's calculated increase varies by more than a reasonable margin, then the various components of PID's calculation is compared to the company's to determine the major reasons for the difference. The A&H Bureau Director may then approve a rate increase as requested, offer the company a reduced rate adjustment, or deny the increase.

**The criteria for implementing "legal authority for rate review and how rates are evaluated".**

Act 159 of 1996 specifically 40 P.S. §3804 gives the authority for rate review and 31 Pa Code Section 89 provides the regulations.

**The grounds for rate approval, modification and rejection. Discuss the factors that are considered in rate review, for example, medical loss ratios, the costs of medical care, the financial history of the company and previous rate changes.**

The grounds for rate approval are when PID's analysis indicates that the requested rates are not inadequate, not excessive or not unfairly discriminatory. The grounds for rate disapproval are when the rates are determined to be inadequate, excessive or unfairly discriminatory or when the filing is not actuarially supportable. The Department analyzes all of the information describe above when considering whether to approve or disapprove a rate filing.

Loss ratios are considered only for individual commercial products (31 Pa. Code § 89.83). When policies are initially filed for approval, the Department may not approve anticipated loss ratios which are lower than 60 percent. For HMOs and Blues the rate increases are granted based on projected income calculated from claims, administrative expenses and other retention items. The financial history of the company and previous rate changes are not included in the calculations and are not considered.

**An explanation as to whether rates are approved, modified or rejected prospectively or retrospectively.** Pennsylvania does not conduct retrospective reviews.

**An explanation of the factors that trigger retrospective review, whether or not rebates provided to consumers if rates are determined to be unjustified and, if so, how rebates are calculated and disbursed.** Pennsylvania does not conduct retrospective reviews.

**If the applicant lacks explicit statutory or regulatory approval authority, evidence of instances where requested rate modification and/or negotiation resulted in demonstrably lower rate/s. Discussion of rate modification should include additional contextual information such as the market share of the insurance product and the number of affected policyholders.**

In the fall of 2009, the four Blue Cross and Blue Shield insurers in Pennsylvania, with a combined health insurance market share of roughly 60 percent and much higher shares in

certain local markets, all filed for abnormally large rate increases in the individual market. For certain products, the requests exceeded 30 percent and even 40 percent. After a thorough review process and discussion with the insurers, those requests were reduced and rate increases in the 10 percent range were approved for most products.

**An explanation of current level of resources and capacity for reviewing health insurance rates: Information Technology (IT) and systems capacity**

**A description of the extent to which current IT systems such as the System for Electronic Rate and Form Filing (SERFF), support the State's rate review process, cross-referencing planned systems enhancements proposed elsewhere in the application.**

PID uses SERFF for the majority of the rate filings. PID plans to utilize any future modifications to the SERFF system to meet the reporting requirements under Section 2794.

**An explanation of current level of resources and capacity for reviewing health insurance rates: Budget and Staffing**

**A description of annual overall total budget and revenue for the department.**

PID receives operational monies from the General Fund of the Commonwealth of PA. The General Fund is the Commonwealth's largest operating fund. It receives all tax revenue, non-tax revenue, federal grants and entitlements not specified by law to be deposited elsewhere. The General Assembly makes appropriations of specific amounts from the General Fund. PID contributes to General Fund via licensing and examination fees, penalties and fines. The Department's annual budget is \$20.6 million.

**The budgetary breakdown for resources allocated to rate review for health insurance coverage in the individual and/or group markets.**

Current budget allocation for rate review activities is \$623,569.

Current budget allocation for Consumer Services, for all lines of insurance (the budget is not further broken down to show only resources allocated to health insurance rates) is \$2,478,814.

Current budget allocation for Market Conduct and Market Analysis, for all lines of insurance (the budget is not further broken down to show only resources allocated to health insurance rates) is \$1,029,860.

**A description of the qualifications (education and professional background) of the Insurance Department staff responsible for rate review. To the extent that actuarial services are contracted, please provide the name of the company and description of the nature of the contract service.**

**PID ACCIDENT AND HEALTH RATE REVIEW STAFF**

Title	Years of Insurance Experience	Actuarial Examination Credentials	College Degrees
A&H Bureau Director	20	NA	BS
Life & Health Actuary 2	21	HIA, SOA exams 100,110, 130, 135	BS
Life & Health Actuary 2	25	Associate of the Society of Actuaries, MAAA, FLMI	BA
Life & Health Actuary 2	29	Associate of the Society of Actuaries, MAAA	BS, MS
Life & Health Actuary 1	9	Associate of the Society of Actuaries, MAAA	BA, MS
Life & Health Actuary 2	23	Group Health Certificate (HIAA)	BS, MBA

PID does not use an external actuarial consultant for the rate review process.

**If available, provide the total number of health insurance rate filings that are received for the individual and/or group markets (annually and/or monthly), and the average amount of time that is required to complete the review process.**

The Accident and Health Bureau receives up to 120 rate filings a month. The average time taken from submission date to completed review of the filings is 49 days.

**Consumer protections:**

**Rate filings publicly disclosed? If so, what is the mechanism for public access to rates and rate filings? Describe State laws and regulations governing public access and disclosure to rate filings and public access to PID in general.**

While under review, some, but not all, health insurance rate filings are published in the PA Bulletin and are posted on the PID website at [www.insurance.pa.gov](http://www.insurance.pa.gov), "How to Find..."

"Current Rate Filings" for public comments. Or directly at:

[http://www.portal.state.pa.us/portal/server.pt/community/industry\\_activity/9276](http://www.portal.state.pa.us/portal/server.pt/community/industry_activity/9276)

The Department strives to balance transparency with work load and resources and rate increase requests above 10% are routinely published; it does not publish filings in the PA Bulletin under the following scenarios:

1. The rate increase requested is below 10% unless the number of members affected is large.
2. The number of members impacted is very small. For example less than 100.
3. The filing is for changes in fee schedules.
4. The filing is not a rate change filing – for example provider reimbursement changes, methodology changes etc.

Other rate filings are published, including benefit changes, even if the rate change is not significant or negative. The public posting includes the public portions of each rate filing including memoranda from consulting actuaries, except where the company or consulting actuary indicates that certain portions are proprietary trade secrets. Practices vary among companies and actuaries, with some claiming no such protections and others claiming broad protections.

After its completed review PID publishes all individual and small employer group rate filings on the Department website at

[http://www.portal.state.pa.us/portal/server.pt/community/industry\\_activity/9276](http://www.portal.state.pa.us/portal/server.pt/community/industry_activity/9276)

The website is used by individual consumers; however, the information made public is not consumer friendly and not always helpful to average consumers. Currently, the dominant users of the public rate filings are analysts representing a broad array of industry, consumer, employer, and other interests with the resources to review technical information and make the information understandable. It is our goal through this grant to develop more consumer friendly information concerning rate filings so that the average consumer will have meaningful access to rate filings. Public access to all rate filings is governed by the Pennsylvania Right to Know Law, Act 3 of 2008.



**Summaries of rate changes offered in plain language for consumers? Please provide an example.**

Currently the Department does not offer rate change summaries to the consumers.

***How much advanced notice is given to consumers prior to proposed rate changes? Are consumers provided with official comment periods to review and comment on proposed rate changes?***

Upon filing of a rate increase request by a health insurer, some rate requests are published in the PA Bulletin (see above for a detailed description of published filings). Once published, the public is invited to submit written comments (email comments are accepted), suggestions, or objections to the actuary assigned to review the filing within 30 days after publication of the notice in the Pennsylvania Bulletin.

***What processes exist for public meetings and/or hearings on rate filings?***

The Commissioner has the discretion to publish notice of a rate filing in the Pennsylvania Bulletin and establish a time period for the receipt of public comments. In the past, the PID has conducted public hearings pursuant to this provision, and members of the public had an opportunity to provide in-person comments in the presence of the PID and the company; however, the last public hearing held by PID occurred in 1993. Additionally, if a rate filing is disapproved, the company may request a public hearing before the Commissioner (2 Pa. C.S. Chapter 5). The Department has not had a request for a public hearing as a result of a disapproved filing in recent years.

***Provide the number and summarize the nature of consumer inquiries and complaints related to health insurance rates that have been received for the past two plan years.***

During calendar years 2008 and 2009, the Department received 633 written complaints from consumers concerning premium increases. The breakdown of the nature of the complaints is as follows:

138 complaints involved questions or concerns about premium increases associated with employer or association group coverage.

91 complaints involved questions or concerns about premium increases associated with self-insured, Medicare, Medicaid, out-of-state plans

75 complaints involved questions or concerns about a premium increase associated with a long term care product.

4 complaints involved a compliance issue associated with a premium increase.

295 complaints questioned the Department's approval of, or concern about a premium increase. Of those complaints, 233 are expressing a concern about the rate increase generally and 62 questioned the Department's approval of the rates.

Nature	2008	2009
Group	81	87
Long Term Care	47	28
No Jurisdiction	32	59
Opposed Increase	111	184
Compliance Issue		4
Total	271	362

#### **Examination and Oversight:**

**Describe actions taken against insurance companies over the past two plan years regarding health insurance rates; include in the description a discussion of the market share and the number of affected policyholders for the cited insurance company.**

In September of 2008 the Department took action against an HMO for the improper use of a non-approved base rate. The HMO was required to make restitution to employers for any premium charged in excess of the approved rate.

**Describe formal hearings held over the past two plan years regarding health insurance rates.**

The department has not had any rate hearing on health insurance products in the past two years. Our last rate review hearing was in July of 1993. In the fall of 2009, when the four Blue Cross and Blue Shield insurers in Pennsylvania, filed for abnormally large rate increases in the individual market. For certain specific products, the requests exceeded 30 percent and even 40 percent. We informed the companies that the Department would not approve these rate increases and that they could either file with increases below 10 percent or we would hold a public hearing to gather more information on the necessity for the substantial rate increases. The companies all filed new requests below 10 percent.

**b) Proposed rate review enhancements for health insurance**

The Department will develop a standardized reporting methodology and data collection system to create and maintain a rate level index for health insurance premiums. The data will be used to develop new consumer accessible premium comparison charts, respond to consumer inquiries and complaints related to rates, review rate filings, develop additional statutory tools necessary for improved operations, investigate any non-compliance activities, and develop a rate reporting system consistent with HHS requirements. The data will be used to satisfy new HHS reporting requirements.

Using IT enhancements, we will create a web-based reporting process which will enable carriers to submit information to a portal located on the Department's website to facilitate submission and collection of data from health insurance companies. We anticipate that at a minimum the reporting requirements will include:

1. The total number of members;
2. The total amount of premiums;
3. The total amount of costs for claims;
4. The medical loss ratio;
5. The average amount of premiums per member per month; and
6. The percentage change in the average premium per member per month, measured from the previous year.

The portal will also be used to conduct surveys of individual and group health insurance companies to get a more accurate overview of the historical and current products available in the Pennsylvania health insurance market.

The comparison charts for individual and small group health products will be developed using a standard reporting format and data collection methodology that will allow the insurance-buying public to more easily compare insurers and health insurance products using information including premium trends, administrative costs, and net income. In addition, the Department plans to utilize any future modifications to the SERFF system to meet the HHS reporting requirements under Section 2794.

The program will be developed and implemented in the following manner:

1. Collect rate-related data from health insurers and develop a sophisticated Health Insurance Rate Level Index data base for the individual and small group markets:
  - a. Build a data base for the individual and small group market modeled on the Department's current Private Passenger Auto Rate Level Index (a copy is attached).
  - b. Use database as a resource for Department staff when reviewing rate filings,
  - c. Provide rate information to the public and develop enhanced consumer information including premium comparisons and consumer education tools.

The Pennsylvania Private Passenger Auto Rate Level Index will be the model for the Health Insurance Rate Level Index Data base. In developing the Auto Rate Level Index and to ensure that rates comply with applicable law, the Department uses credentialed actuaries to review (or to supervise the review) of each filing. The Department performs an independent review of each filing, evaluating every rating component. The Department analyzes the appropriateness of all high level changes (e.g., the overall change or the change by coverage) and of all lower level changes (e.g., changes in territorial relativities or

driver age factors.) The Department considers a wide variety of data and information that include:

1. Past and prospective experience of the company making the filing and
2. Past and prospective experience of other companies that have made similar filings.
3. A comparison of the past changes for a company with movements in rates for the entire market. The Department's Private Passenger Auto Rate Level Index tracks how the price per unit of insurance has changed from the first quarter of 1990 through the first quarter of 2010 and includes a graphical display of this activity.
4. Changes in the costs of related goods and services through components of the Consumer Price Index.

The Department's Index indicates that personal auto rates have increased by less than 2% on an average annualized basis since the enactment of Act 6 in 1990. The Department's work shows that these related costs have increased by almost 4% on an average annualized basis over the same time period. (See sample rate level index appendices)

Building a rate level index and premium comparison chart that are publicly accessible will be a major improvement in providing consumers with the information needed to shop more intelligently for their health benefits. In addition, the Department will greatly improve its knowledge of the health insurance market in Pennsylvania by obtaining non-regulated product rates.

## **2. Enhancement of regulatory review of rates under current authority and in cases of unreasonable increases as defined by HHS.**

In an effort to enhance the evaluation and transparency of rate filings, the Department will restructure our current rate review process with the use of actuarial consultants who will assist the department in critically examining proposed rate increases and rigorously reviewing submitted rate filings. Consultants will assist the department in developing new

and more efficient rate review procedures and will assist and train current departmental staff. These development and training opportunities will allow the department to rely on its internal resources in future years.

The Department will utilize grant funds to utilize outside consultants to build a framework for an enhanced and more robust health rate review process. The model will be the process the Department currently uses to enhance our actuarial review of companies during financial examinations. Using our financial exam model, we will make more cross company comparisons, breakdown the components of claim trend, and more closely examine the appropriateness of expense assumptions. We will also consider successes from other states in reviewing and modifying rate increases and use lessons learned from those states to improve our own rate review procedures.

The Department will initially focus these enhanced review processes on rate filings subject to the Department's rate review authority and on rate filings deemed to be unreasonable, as that term is defined by HHS. Our goal is to create a high-quality self-sustaining rate review program that provides a thorough and well reasoned review and that provides the public with understandable and detailed information concerning health insurance companies and products in Pennsylvania.

Our enhanced rate review procedures and training will focus on product filings for individual and small employer group (2-50) health insurance from the nine largest health insurers in the state (see chart below), which collectively represent approximately 90% of the Pennsylvania market. In future years this enhanced review may be expanded employer groups with up to 100 employees.

<u>Company Name</u>	<u>Direct Premiums Written</u>	<u>Market Share</u>
HIGHMARK GRP	10,124,040,300	27.34%
INDEPENDENCE BLUE CROSS GRP	9,356,076,450	25.27%
AETNA GRP	2,339,157,782	6.32%
COVENTRY CORP GRP	2,058,418,918	5.56%
UPMC HLTH SYSTEM GRP	2,037,259,606	5.50%
CAPITAL BLUE CROSS GRP	1,969,023,138	5.32%
UNITEDHEALTH GRP	1,809,075,283	4.89%
GEISINGER INS GRP	962,367,647	2.60%
HOSPITAL SERV ASSN OF NEPA	873,531,578	2.36%

### **3. Enhanced oversight of market practices generating consumer complaints or causing market disruptions**

The Department will utilize grant funds to enhance our market oversight of rating practices, through additional examinations of companies rating practices. The Market Regulation program identifies both real and potential problems in the regulatory scheme using data, analysis, education, and studies. The Market Regulation program has a three-pronged approach to carry out its function.

1. The consumer services program's data systems collect, organize, analyze, and report information originating from consumer phone calls and complaints. The program handles in excess of 120,000 unique instances annually. Using grant funds we will further develop our collection and analysis of these complaints to identify insurance market "hot spots" which will then be evaluated and studied further. Additionally, we further develop the department's consumer education and outreach materials to allow consumers to be more knowledgeable about health insurance. The current public rate review information available to consumers is two-fold. The announcement of a rate increase can be found on the PA Bulletin website and the technical filing information is available on PID's website. Information authored by the Department relating to rate filings and premium rate trends is not comprehensive nor consumer friendly. Our proposal is to provide

- greater transparency and provide consumers with useful rate review information. We will develop consumer friendly rate review information. Consumers should be able to go to our website and find information on rate requests, hearing dates, approvals, effective dates, timeframes for comments, and when the filings will be reviewed and approved or disapproved. We will use grant funds for IT enhancements to provide this information for consumers. As with the rate review, we will use consulting firms to assist the department in developing better data collection and analysis and in training current staff so that department staff can be utilized to carry on the new procedures in subsequent years.
- 2. The market analysis function combines the data developed by the consumer services program with data submitted by carriers through the NAIC financial reporting system
  - and the market regulation system to develop baseline, level 1 and level 2 analyses. Each level “mines” data deeper allowing for a more robust view of carrier activity. Using grant funds we will work with consultants to assist the department in development of a more in-depth analysis procedure.
- 3. The market actions program has a continuum of tools to either address known problems through various alternative corrective actions and to study “public policy” oriented issues to identify current activities that may require statutory or regulatory action to protect consumers. We will be primarily focusing on this later aspect of the market regulation program in utilizing grant funding by increasing the number and scope of “public policy” studies.

**c) Reporting to the Secretary on Rate Increase Patterns**

The Department attests that it will comply with the reporting requirements as established by HHS in the special terms and conditions when made available.





**TO** [Redacted] Deputy Insurance Commissioner  
[Redacted] Property and Casualty Bureau

**FROM** Director  
Bojan Zorkic, Actuarial Associate

**DATE** April 30, 2010

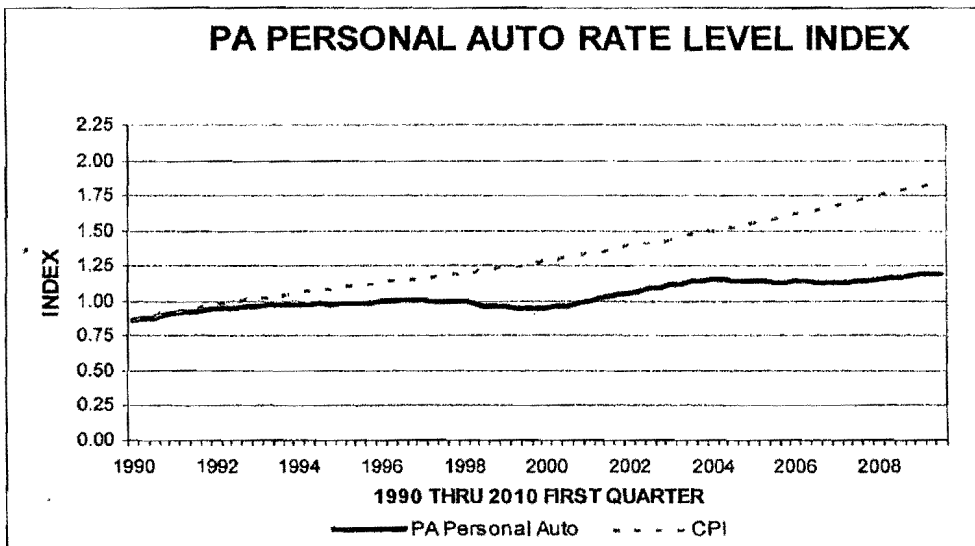
**RE** PA Private Passenger Auto Rate Level Index

Attached is the Pennsylvania Rate Level Index for private passenger automobile insurance, containing the rate changes through the first quarter of 2010. The Index tracks how the price per unit of insurance has changed from the first quarter of 1990 through the first quarter of 2010, and includes a graphical display of this activity.

The Consumer Price Index (CPI), reflecting both the cost of Medical Care and Motor Vehicle Maintenance/Repair, is also included in the graph for comparison.

The Index is presently at its highest level of 1.19793. The previous high was 1.19471, which occurred in the previous quarter. **Currently, the Index indicates that Pennsylvania PPA rates are increasing by 1.08% annually.**

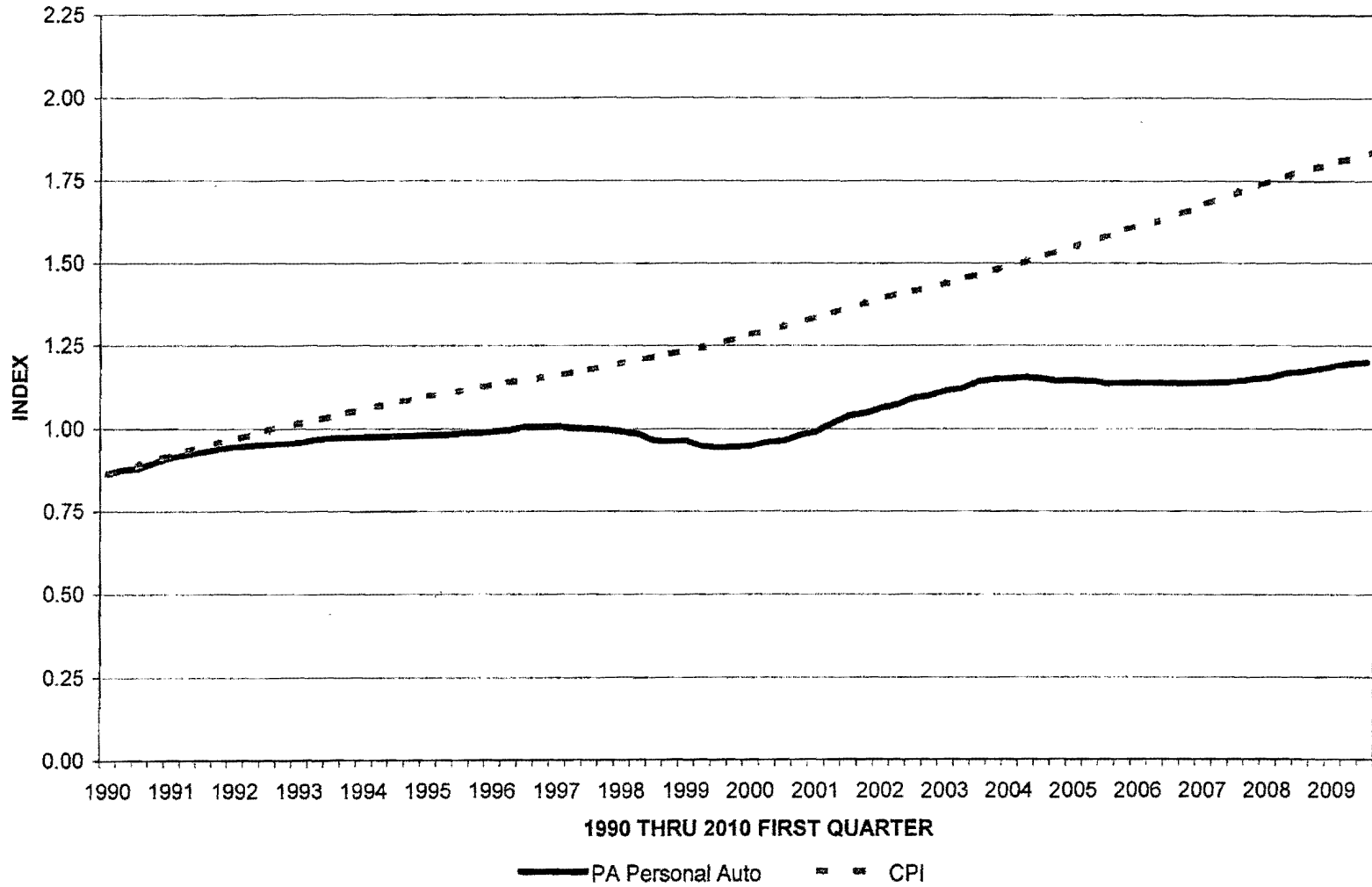
Rate filings already approved indicate that the Index will show an increase in the second quarter of 2010.



cc: Complete Document:

YEAR	QUARTER	YEAR AND QUARTER	CPI	PPA INDEX	% CHANGE LAST QUARTER	% CHANGE ANNUALIZED	% CHANGE PRIOR YEAR	% CHANGE 4 QUARTER MOVING AVG	
1990	1	1-1990		1.0000					
1990	2	2-1990		1.0000	0.00%	0.00%			
1990	3	3-1990	0.8631	0.8631	-13.69%	-44.51%			
1990	4	4-1990	0.8785	0.8765	1.44%	5.87%			
1991	1	1-1991	0.8919	0.8811	0.84%	2.58%	-11.89%	0.8811000	
1991	2	2-1991	0.9064	0.8980	1.92%	7.90%	-10.20%	0.8960000	
1991	3	3-1991	0.9221	0.9133	1.70%	6.99%	5.82%	1.0581624	
1991	4	4-1991	0.9343	0.9217	0.92%	3.73%	5.28%	1.0527698	-3.11%
1992	1	1-1992	0.9486	0.9299	0.89%	3.61%	5.54%	1.0553853	1.37%
1992	2	2-1992	0.9610	0.9391	0.99%	4.02%	4.58%	1.0457684	5.30%
1992	3	3-1992	0.9711	0.9467	0.81%	3.28%	3.86%	1.0365707	4.76%
1992	4	4-1992	0.9833	0.9496	0.31%	1.23%	3.03%	1.0302702	4.20%
1993	1	1-1993	0.9952	0.9538	0.44%	1.78%	2.57%	1.0257017	3.46%
1993	2	2-1993	1.0063	0.9564	0.27%	1.09%	1.84%	1.0184219	2.77%
1993	3	3-1993	1.0170	0.9593	0.30%	1.22%	1.33%	1.0133094	2.19%
1993	4	4-1993	1.0269	0.9685	0.96%	3.89%	1.99%	1.0199031	1.93%
1994	1	1-1994	1.0362	0.9735	0.52%	2.08%	2.07%	1.0206542	1.81%
1994	2	2-1994	1.0466	0.9766	0.22%	0.87%	2.01%	1.0200753	1.86%
1994	3	3-1994	1.0577	0.9769	0.13%	0.53%	1.83%	1.0183467	1.97%
1994	4	4-1994	1.0684	0.9777	0.08%	0.33%	0.65%	1.0064992	1.71%
1995	1	1-1995	1.0768	0.9791	0.14%	0.57%	0.58%	1.0057524	1.34%
1995	2	2-1995	1.0847	0.9785	-0.06%	-0.24%	0.30%	1.0029725	0.91%
1995	3	3-1995	1.0963	0.9807	0.22%	0.90%	0.39%	1.0038899	0.55%
1995	4	4-1995	1.1036	0.9812	0.05%	0.20%	0.38%	1.0035798	0.40%
1996	1	1-1996	1.1126	0.9861	0.50%	2.01%	0.71%	1.0071494	0.44%
1996	2	2-1996	1.1207	0.9869	0.28%	1.14%	1.06%	1.0106285	0.63%
1996	3	3-1996	1.1311	0.9932	0.43%	1.75%	1.27%	1.0127460	0.85%
1996	4	4-1996	1.1378	0.9962	0.30%	1.21%	1.53%	1.0152874	1.14%
1997	1	1-1997	1.1457	1.0052	0.91%	3.68%	1.94%	1.0194140	1.45%
1997	2	2-1997	1.1535	1.0063	0.10%	0.42%	1.76%	1.0175825	1.63%
1997	3	3-1997	1.1682	1.0060	-0.03%	-0.13%	1.28%	1.0128360	1.63%
1997	4	4-1997	1.1689	1.0012	-0.47%	-1.88%	0.50%	1.0049959	1.37%
1998	1	1-1998	1.1765	1.0001	-0.11%	-0.43%	-0.51%	0.9948799	0.75%
1998	2	2-1998	1.1863	0.9978	-0.23%	-0.92%	-0.84%	0.9915527	0.10%
1998	3	3-1998	1.1974	0.9923	-0.55%	-2.18%	-1.38%	0.9864436	-0.66%
1998	4	4-1998	1.2069	0.9856	-0.68%	-2.69%	-1.56%	0.9844208	-1.07%
1999	1	1-1999	1.2151	0.9647	-2.11%	-8.19%	-3.54%	0.9646494	-1.83%
1999	2	2-1999	1.2252	0.9634	-0.14%	-0.55%	-3.44%	0.9655544	-2.48%
1999	3	3-1999	1.2348	0.9628	-0.07%	-0.27%	-2.98%	0.9702222	-2.88%
1999	4	4-1999	1.2453	0.9481	-1.53%	-5.97%	-3.81%	0.9619324	-3.44%
2000	1	1-2000	1.2583	0.9441	-0.41%	-1.86%	-2.14%	0.9786386	-3.09%
2000	2	2-2000	1.2700	0.9463	0.12%	0.47%	-1.89%	0.9811445	-2.70%
2000	3	3-2000	1.2838	0.9496	0.46%	1.87%	-1.36%	0.9863587	-2.30%
2000	4	4-2000	1.2938	0.9599	1.09%	4.42%	1.25%	1.0125383	-1.04%
2001	1	1-2001	1.3098	0.9651	0.53%	2.15%	2.22%	1.0221765	0.04%
2001	2	2-2001	1.3222	0.9819	1.74%	7.16%	3.88%	1.0387817	1.48%
2001	3	3-2001	1.3368	0.9921	1.04%	4.21%	4.47%	1.0447050	2.95%
2001	4	4-2001	1.3490	1.0182	2.43%	10.07%	5.88%	1.0585573	4.10%
2002	1	1-2002	1.3643	1.0380	2.15%	8.87%	7.55%	1.0755498	5.43%
2002	2	2-2002	1.3789	1.0455	0.73%	2.94%	6.48%	1.0647795	5.08%
2002	3	3-2002	1.3928	1.0602	1.40%	5.73%	6.87%	1.0686510	6.69%
2002	4	4-2002	1.4097	1.0713	1.05%	4.27%	5.43%	1.0542874	8.58%
2003	1	1-2003	1.4160	1.0909	1.82%	7.50%	5.09%	1.0509458	5.96%
2003	2	2-2003	1.4271	1.0986	0.71%	2.86%	5.07%	1.0507471	5.61%
2003	3	3-2003	1.4407	1.1134	1.35%	5.50%	5.02%	1.0501741	5.16%
2003	4	4-2003	1.4550	1.1208	0.67%	2.69%	4.62%	1.0461739	4.95%
2004	1	1-2004	1.4666	1.1411	1.81%	7.45%	4.61%	1.0460597	4.63%
2004	2	2-2004	1.4796	1.1481	0.61%	2.48%	4.51%	1.0450917	4.69%
2004	3	3-2004	1.4915	1.1507	0.23%	0.91%	3.35%	1.0335175	4.27%
2004	4	4-2004	1.5075	1.1628	0.18%	0.72%	2.85%	1.0286314	3.83%
2005	1	1-2005	1.5229	1.1490	-0.33%	-1.31%	0.69%	1.0068839	2.84%
2005	2	2-2005	1.5360	1.1434	-0.48%	-1.92%	-0.41%	0.9959106	1.61%
2005	3	3-2005	1.5508	1.1439	0.04%	0.16%	-0.59%	0.9940813	0.63%
2005	4	4-2005	1.5679	1.1424	-0.13%	-0.50%	-0.90%	0.9910256	-0.30%
2006	1	1-2006	1.5859	1.1347	-0.68%	-2.69%	-1.24%	0.9876549	-0.79%
2006	2	2-2006	1.6019	1.1370	0.21%	0.84%	-0.56%	0.9944140	-0.82%
2006	3	3-2006	1.6147	1.1372	0.02%	0.07%	-0.58%	0.9941867	-0.82%
2006	4	4-2006	1.6280	1.1372	0.00%	0.01%	-0.45%	0.9954838	-0.71%
2007	1	1-2007	1.6471	1.1354	-0.16%	-0.63%	0.07%	1.0006757	-0.38%
2007	2	2-2007	1.6614	1.1343	-0.10%	-0.41%	-0.24%	0.9975671	-0.30%
2007	3	3-2007	1.6808	1.1346	0.03%	0.13%	-0.23%	0.9977159	-0.21%
2007	4	4-2007	1.6988	1.1389	0.20%	0.80%	-0.03%	0.9996854	-0.11%
2008	1	1-2008	1.7182	1.1409	0.35%	1.42%	0.48%	1.0048031	-0.01%
2008	2	2-2008	1.7332	1.1484	0.66%	2.68%	1.25%	1.0126062	0.37%
2008	3	3-2008	1.7508	1.1522	0.33%	1.33%	1.55%	1.0155283	0.81%
2008	4	4-2008	1.7648	1.1666	1.28%	5.09%	2.62%	1.0281726	1.47%
2009	1	1-2009	1.7838	1.1696	0.26%	1.02%	2.52%	1.0251824	1.98%
2009	2	2-2009	1.7942	1.1778	0.70%	2.84%	2.56%	1.0255900	2.31%
2009	3	3-2009	1.8090	1.1876	0.83%	3.34%	3.06%	1.0306468	2.69%
2009	4	4-2009	1.8184	1.1947	0.80%	2.43%	2.41%	1.0240644	2.64%
2010	1	1-2010	1.8372	1.1979	0.27%	1.08%	2.42%	1.0242115	2.61%

### PA PERSONAL AUTO RATE LEVEL INDEX



<b>Opportunity Title:</b>	"Grants to States for Health Insurance Premium Review-C
<b>Offering Agency:</b>	Ofc of Consumer Information & Insurance Oversight
<b>CFDA Number:</b>	93.511
<b>CFDA Description:</b>	Affordable Care Act (ACA) Grants to States for Health I
<b>Opportunity Number:</b>	RFA-FD-10-999
<b>Competition ID:</b>	ADOBE-FORMS-B
<b>Opportunity Open Date:</b>	06/07/2010
<b>Opportunity Close Date:</b>	07/07/2010
<b>Agency Contact:</b>	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:

**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.

**ERROR!**

This application package has been opened and saved with a version of Adobe Acrobat or Adobe Reader that is not compatible with Grants.gov.

**THIS PACKAGE IS NO LONGER VALID AND CANNOT BE SUBMITTED.**

To download the Grants.gov required version visit:

[http://www.grants.gov/help/download\\_software.jsp#adobe811](http://www.grants.gov/help/download_software.jsp#adobe811)

For more information: [http://grants.gov/help/general\\_faqs.jsp#adobe](http://grants.gov/help/general_faqs.jsp#adobe)

Also the Contact Center is available for further assistance. The Contact Center hours of operation are Monday-Friday, 7 a.m. to 9 p.m., Eastern Time; closed on Federal Holidays.

Email: [support@grants.gov](mailto:support@grants.gov)

Phone: 1-800-518-4726

**ERROR!**

You have attempted to open this document with a version of Adobe Acrobat or Adobe Reader that is not compatible with Grants.gov.

**YOU CANNOT PROCEED WITH THIS DOCUMENT!**

You are using the incorrect version: 9.304

Install the required version and try again.

To download the Grants.gov required version visit:

[http://www.grants.gov/help/download\\_software.jsp#adobe811](http://www.grants.gov/help/download_software.jsp#adobe811)

For more information: [http://grants.gov/help/general\\_faqs.jsp#adobe](http://grants.gov/help/general_faqs.jsp#adobe)

Also the Contact Center is available for further assistance. The Contact Center hours of operation are Monday-Friday, 7 a.m. to 9 p.m., Eastern Time; closed on Federal Holidays.

. Email: [support@grants.gov](mailto:support@grants.gov)

Phone: 1-800-518-4726

**Application for Federal Assistance SF-424**

\* 1. Type of Submission:

- Preapplication  
 Application  
 Changed/Corrected Application

\* 2. Type of Application:

- New  
 Continuation  
 Revision

\* If Revision, select appropriate letter(s):

\* Other (Specify):

\* 3. Date Received:

Completed by Grants.gov upon submission.

4. Applicant Identifier:

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:

Pennsylvania Insurance Department

\* b. Employer/Taxpayer Identification Number (EIN/TIN):

236003060

\* c. Organizational DUNS:

6095135440000

**d. Address:**

\* Street1:

1326 Strawberry Square

Street2:

\* City:

Harrisburg

County/Parish:

\* State:

PA: Pennsylvania

Province:

\* Country:

USA: UNITED STATES

\* Zip / Postal Code:

17120-0000

**e. Organizational Unit:**

Department Name:

Pennsylvania Insurance Dept.

Division Name:

Accident & Health Bureau

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

Prefix:

Mr.

\* First Name:

Stephen

Middle Name:

\* Last Name:

Rzonca

Suffix:

Title:

Policy Analyst

Organizational Affiliation:

Pennsylvania Insurance Department

\* Telephone Number:

717-214-8639

Fax Number:

717-772-1969

\* Email:

srzonca@state.pa.us

**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:**

PA 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

b. Program/Project

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

**Add Attachment**

**Delete Attachment**

**View Attachment**

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="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:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

## Key Contacts Form

**\* Applicant Organization Name:**

Pennsylvania Insurance Department

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

**\* Contact 1 Project Role:** Project Officer

Prefix: Mr.

\* First Name: Peter

Middle Name:

\* Last Name: Camacci

Suffix:

Title: Director, Bureau of Accident & Health

Organizational Affiliation:

\* Street1: 1311 Strawberry Sq

Street2:

\* City: Harrisburg

County:

\* State: PA: Pennsylvania

Province:

\* Country: USA: UNITED STATES

\* Zip / Postal Code: 17120-000

\* Telephone Number: 717-787-0762

Fax:

\* Email: pcamacci@state.pa.us

Delete Entry

Previous Person

Next Person

## Key Contacts Form

**\* Applicant Organization Name:**

Pennsylvania Insurance Department

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

**\* Contact 2 Project Role:** Financial Officer

Prefix: \* Ms.

\* First Name: Pamela

Middle Name:

\* Last Name: Seymore

Suffix:

Title: Budget Analyst

Organizational Affiliation:

Pennsylvania Insurance Department

\* Street1: 1311 Strawberry Square

Street2:

\* City: Harrisburg

County:

\* State: PA: Pennsylvania

Province:

\* Country: USA: UNITED STATES

\* Zip / Postal Code: 17120-0000

\* Telephone Number: 717-705-7285

Fax: 717-705-3873

\* Email: pseymore@state.pa.us

Delete Entry

Previous Person

Next Person

### 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:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

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

**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:

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

Additional Location(s)

## 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	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
2) Please attach Attachment 2	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
3) Please attach Attachment 3	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
4) Please attach Attachment 4	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
5) Please attach Attachment 5	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
6) Please attach Attachment 6	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
7) Please attach Attachment 7	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
8) Please attach Attachment 8	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
9) Please attach Attachment 9	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
10) Please attach Attachment 10	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
11) Please attach Attachment 11	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
12) Please attach Attachment 12	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
13) Please attach Attachment 13	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
14) Please attach Attachment 14	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
15) Please attach Attachment 15	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>

## Objective Work Plan

**Project:**

PA Premium Review Grant

**\* Year:**      **\* Funding Agency Goal:**

1      Enhance current Premium Rate Review process, promote consumer protections and capture and report critical information about rate filings to HHS.

**\* Objective:**

Develop a Health Premium Review Program and Data Base comprised of various components including creating a health insurance premium comparison chart and rate level index, legal analysis of current regulatory authority and future legislative authority and improve consumer protections with rate review.

**\* Results or Benefits Expected:**

Determine rates that are unreasonable, unjustified and excessive. Identify trends in health insurance premiums, the cost drivers of premium increases and to provide the department and consumers with effective rate comparison tools.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Contract for staffing resources actuaries, attorney and IT support for new premium health rate review program.	Director, Bureau of Accident and Health	08/09/2010	10/09/2010	0
Develop a plan for a new structured health premium rate review program.	Director, Bureau of Accident and Health and Actuaries	10/09/2010	12/01/2010	200
Analyze current regulatory authority and develop a plan to access rates for both regulated and non-regulated products.	Legal Services	10/01/2010	08/31/2011	965
Develop a robust health premium rate review process and data base to enhance analysis and build a rate level index and consumer premium comparison chart.	Actuaries and IT support	11/01/2010	04/30/2011	700

## Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Develop web portal and collaboration room to initiate and complete a data request to health insurance companies to obtain access to products and rates for non-regulated products.	Actuaries and IT support	10/01/2010	12/31/2010	211
Establish a health insurance focused Consumer Assistance Team with expertise in health insurance products and market oversight activities focused on non-compliance within the health insurance market.	Director, Bureau of Accident and Health	01/01/2011	03/31/2011	0
Create and develop required reporting package as determined by HHS.	Actuaries and IT support	01/01/2011	07/31/2011	334

**\* Criteria for Evaluating Results or Benefits Expected:**

Completion of the development of a robust health premium review process, rate level index, consumer premium comparison chart and to identify trends and excessive, unfair and unreasonable rates from insurers in the market.

## 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



## 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**

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

**Add Optional Project Narrative File**

**Delete Optional Project Narrative File**

**View Optional Project Narrative File**

## Budget Narrative File(s)

---

\* Mandatory Budget Narrative Filename:

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

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

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)

**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. Health Premium Rate Review	93.511	\$ [ ]	\$ [ ]	\$ 1,000,000.00	\$ [ ]	\$ 1,000,000.00
2. [ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
3. [ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
4. [ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>5. Totals</b>		\$ [ ]	\$ [ ]	\$ 1,000,000.00	\$ [ ]	\$ 1,000,000.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
Health Premium Rate Review					
a. Personnel	\$ 0.00	\$	\$	\$	\$
b. Fringe Benefits	0.00				
c. Travel	21,024.00				21,024.00
d. Equipment	18,205.00				18,205.00
e. Supplies	12,000.00				12,000.00
f. Contractual	500,000.00				500,000.00
g. Construction	0.00				
h. Other	448,771.00				448,771.00
i. Total Direct Charges (sum of 6a-6h)	1,000,000.00				\$ 1,000,000.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$

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Standard Form 424A (Rev. 7- 97)  
Prescribed by OMB (Circular A -102) Page 1A

**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	\$ 300,232.00	\$ 233,256.00	\$ 233,256.00	\$ 233,256.00
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)	\$ 1,000,000.00	\$ 300,232.00	\$ 233,256.00	\$ 233,256.00	\$ 233,256.00

**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.	Health Premium Rate Review	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges:		22. Indirect Charges:	
23. Remarks:			

## 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.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Director, Policy Office</p>
<p>* APPLICANT ORGANIZATION</p> <p>Pennsylvania Insurance Department</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>



# DISCLOSURE OF LOBBYING ACTIVITIES

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

Approved by OMB

0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
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**4. Name and Address of Reporting Entity:**  
 Prime     SubAwardee

\* Name: Pennsylvania Insurance Department

\* Street 1: 1326 Strawberry Square    Street 2: \_\_\_\_\_

\* City: Harrisburg    State: PA: Pennsylvania    Zip: 17120

Congressional District, if known: PA-017

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

<b>6. * Federal Department/Agency:</b> Department of Health & Human Services	<b>7. * Federal Program Name/Description:</b> Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review CFDA Number, if applicable: 93.511
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<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____
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**10. a. Name and Address of Lobbying Registrant:**

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**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: Completed on submission to Grants.gov

\* Name: Prefix Mrs. \* First Name Shelley Middle Name \_\_\_\_\_  
\* Last Name Bain Suffix \_\_\_\_\_

Title: Director, Policy Office    Telephone No.: 717-787-0873    Date: Completed on submission to Grants.gov

## 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)

# Project Abstract Summary

**Program Announcement (CFDA)**

93.511

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

RFA-FD-10-999

**\* Closing Date**

07/07/2010

**\* Applicant Name**

Pennsylvania Insurance Department

**\* 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**

PA Premium Review Grant

## Project Abstract Summary

\* Project Summary

[Empty text area for Project Summary]

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

## Other Attachment File(s)

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\* Mandatory Other Attachment Filename:

**Add Mandatory Other Attachment**

**Delete Mandatory Other Attachment**

**View Mandatory Other Attachment**

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

**Add Optional Other Attachment**

**Delete Optional Other Attachment**

**View Optional Other Attachment**