

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 1 of 2

Identifying Information:

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

DUNS #: 962968660 Grant Award: \$1 million

Applicant: District of Columbia Department of Insurance, Securities and Banking

Primary Contact Person, Name: Philip Barlow

Telephone Number: (202)442-7823 Fax number: (202)535-1196

Email address: philip.barlow@dc.gov

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 2 of 2

REQUIRED CONTENTS

A complete proposal consists of the following material organized in the sequence below: Please ensure that the project narrative is page-numbered. The sequence is:

- Cover Sheet
- Forms/Mandatory Documents (Grants.gov).

The following forms must be completed with an original signature and enclosed as part of the proposal:

- SF-424: Application for Federal Assistance
- SF-424A: Budget Information
- SF-424B: Assurances-Non-Construction Programs
- SF-LLL: Disclosure of Lobbying Activities
- Additional Assurance Certifications
- Required Letter of support and Memorandum of Agreement
- Applicant's Application Cover Letter
- Project Abstract
- Project Narrative
- Work plan and Time Line
- Proposed Budget (Narrative/Justifications)
- Required Appendices
- Resume/Job Description for Project Director and Assistant Director

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

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

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

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

* Application Filing Name:

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.

Application for Federal Assistance SF-424

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
---	---	--

* 3. Date Received: 07/07/2010	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:** Department of Insurance, Securities and Banking

* b. Employer/Taxpayer Identification Number (EIN/TIN): 53-6001131	* c. Organizational DUNS: 9629686600000
--	---

d. Address:

*** Street1:** 810 First Street NE
Street2: Suite 701
*** City:** Washington
County/Parish: _____
*** State:** DC: District of Columbia
Province: _____
*** Country:** USA: UNITED STATES
*** Zip / Postal Code:** 20002-4227

e. Organizational Unit:

Department Name: Insurance Bureau	Division Name: _____
---	--------------------------------

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

Prefix: _____ *** First Name:** Philip
Middle Name: _____
*** Last Name:** Barlow
Suffix: _____

Title: Associate Commissioner for Insurance

Organizational Affiliation:

*** Telephone Number:** 202-442-7823 **Fax Number:** 202-535-1196

*** Email:** philip.barlow@dc.gov

Application for Federal Assistance SF-424

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

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

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

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.511

CFDA Title:

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

*** 12. Funding Opportunity Number:**

RFA-FD-10-999

* Title:

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

13. Competition Identification Number:

ADOBE-FORMS-B

Title:

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

Add Attachment

Delete Attachment

View Attachment

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

Premium Review Grant

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

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

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

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:

Department of Insurance, Securities and Banking

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

* Contact 1 Project Role: Project Manager

Prefix:

* First Name: Philip

Middle Name:

* Last Name: Barlow

Suffix:

Title: Associate Commissioner for Insurance

Organizational Affiliation:

* Street1: 810 First Street NE

Street2: Suite 701

* City: Washington

County:

* State: DC: District of Columbia

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 20002-4227

* Telephone Number: 202-442-7823

Fax: 202-535-1196

* Email: philip.barlow@dc.gov

Delete Entry

Previous Person

Next Person

Key Contacts Form

*** Applicant Organization Name:**

Department of Insurance, Securities and Banking

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

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

Prefix: Mr.

*** First Name:** Bright

Middle Name:

*** Last Name:** Ahawie

Suffix:

Title: Controller

Organizational Affiliation:

Office of the Chief Financial Officer

*** Street1:** 1100 4th Street SW

Street2:

*** City:** Washington

County:

*** State:** DC: District of Columbia

Province:

*** Country:** USA: UNITED STATES

*** Zip / Postal Code:** 20024-0000

*** Telephone Number:** 202-442-6349

Fax:

*** Email:** bright.ahawie@dc.gov

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

Objective Work Plan

Project:

Premium Review Grant

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

1

Develop or enhance our capacity to review and, to the extent permitted by state law, approve or deny rate increases in the individual and group markets.

*** Objective:**

Add more resources to review health insurance rate filings and improve the information and tools available to Department staff when reviewing filings.

*** Results or Benefits Expected:**

A more thorough and robust rate review process that reduces erroneous data and takes all relevant criteria of the health insurance provider into consideration in conducting the review.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Hire a Fellow or Associate of the Society of Actuaries with expertise in health insurance to oversee the review of health insurance rate filings and to participate in a hands-on manner in the review of health insurance rate filings.	Associate Commissioner for Insurance	08/09/2010	09/30/2010	0
Hire an Analyst to analyze data from the rate filings to identify trends and develop statistical information to assist in the review of filings, also bring in financial information as well as information on filings approved elsewhere.	Associate Commissioner for Insurance	08/09/2010	09/30/2010	0
Purchase of actuarial software that will allow a more robust and thorough review of rate filings. Implement a training regimen to get staff proficient with using the software. Provide training on techniques to use in reviewing filings.	Actuary	10/01/2010	03/31/2011	0

Objective Work Plan

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

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

Criteria for evaluating results includes whether additional staff has been hired by the Department and whether training and software is being used in the evaluation of rate filings.

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	<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"/>
16) Please attach Attachment 16	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="View Attachment"/>
17) Please attach Attachment 17	<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>	<input type="button" value="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

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

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. Grants to States for Health Insurance Premium Review - Cycle I	95.311	\$	\$	\$ 1,000,000.00	\$ 0.00	\$ 1,000,000.00
2.						
3.						
4.						
5. Totals		\$	\$	\$ 1,000,000.00	\$	\$ 1,000,000.00

SECTION B - BUDGET CATEGORIES

5. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Grants to States for Health Insurance Premium Review - Cycle I				
a. Personnel	\$ 450,787.00	\$	\$	\$	\$ 450,787.00
b. Fringe Benefits	82,044.00				82,044.00
c. Travel	20,000.00				20,000.00
d. Equipment	70,000.00				70,000.00
e. Supplies					
f. Contractual	377,169.00				377,169.00
g. Construction					
h. Other					
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	\$	\$	\$	\$

Authorized for Local Reproduction

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	\$ 292,264.08	\$ 322,264.09	\$ 197,264.08	\$ 188,207.75
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)	\$ 1,000,000.00	\$ 292,264.08	\$ 322,264.09	\$ 197,264.08	\$ 188,207.75

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

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

SECTION F - OTHER BUDGET INFORMATION

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

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>Philip Barlow</p>	<p>* TITLE</p> <p>Associate Commissioner for Insurance</p>
<p>* APPLICANT ORGANIZATION</p> <p>Department of Insurance, Securities and Banking</p>	<p>* DATE SUBMITTED</p> <p>07/07/2010</p>

DISCLOSURE OF LOBBYING ACTIVITIES

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

Approved by OMB

0348-0046

1. * Type of Federal Action: <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	2. * Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. * Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
--	--	--

4. Name and Address of Reporting Entity:

Prima SubAwardee

* Name: Department of Insurance, Securities and Banking

* Street 1: 810 First St. NE Street 2: Suite 701

* City: Washington State: DC: District of Columbia Zip: 20002-4227

Congressional District, if known: _____

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

6. * Federal Department/Agency: Department of Health and Human Services	7. * Federal Program Name/Description: Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review CFDA Number, if applicable: 93.511
---	---

8. Federal Action Number, if known: _____	9. Award Amount, if known: \$ _____
---	---

10. a. Name and Address of Lobbying Registrant:

Prefix _____ * First Name 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: Philip Barlow

* Name: Prefix Ms. * First Name Gennet Middle Name _____
 * Last Name Purcell Suffix _____

Title: Commissioner Telephone No.: 202-442-7776 Date: 07/07/2010

Basic Work Plan

1. Estimated date of established funding agreement with State:

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

Describe the tasks in the work plan:

2 a. Describe this task or milestone:

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

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

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

Project Abstract Summary

Program Announcement (CFDA)

93.511

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

RFA-FD-10-999

*** Closing Date**

07/07/2010

*** Applicant Name**

Department of Insurance, Securities and Banking

*** Length of Proposed Project**

Application Control No.

Federal Share Requested (for each year)

*** Federal Share 1st Year**

\$

*** Federal Share 2nd Year**

\$

*** Federal Share 3rd Year**

\$

*** Federal Share 4th Year**

\$

*** Federal Share 5th Year**

\$

Non-Federal Share Requested (for each year)

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

\$

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

\$

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

\$

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

\$

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

\$

*** Project Title**

Premium Review Grant

Project Abstract Summary

* Project Summary

[Empty box for Project Summary]

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

[Empty box for estimated number of people to be served]

Other Attachment File(s)

* Mandatory Other Attachment Filename:

Add Mandatory Other Attachment

Delete Mandatory Other Attachment

View Mandatory Other Attachment

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

Add Optional Other Attachment

Delete Optional Other Attachment

View Optional Other Attachment

Government of the District of Columbia
Department of Insurance Securities and Banking



Gennet Purcell
Commissioner

July 6, 2010

Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

**Re: District of Columbia Department of Insurance, Securities and Banking Application to
FY 2010 Grants to States for Health Insurance Premium Review-Cycle I, CFDA 93.511**

Dear Sir or Madam:

The District of Columbia Department of Insurance, Securities and Banking ("Department") hereby submits its application for a grant pursuant to the Invitation to Apply for FY 2010 Grants to States for Health Insurance Premium Review-Cycle I, CFDA 93.511 ("Grant Program"). The purpose of the Grant Program is to assist the States and the District of Columbia to improve the oversight of the health insurance rate approval processes of state insurance regulators.

As demonstrated in its application, the Department plans to utilize funding from the Grant Program to improve, enhance, and expand the Department's health insurance rate review procedures in the District of Columbia through new specialized staff, analytical tools, training, data, and regulatory authority. Further, the Department will use the grant funds to compile, analyze, and disseminate health insurance rate information to consumers and the Department of Health and Human Services.

The Department will not use any of the grant funds to supplant its existing expenditures for the Department's rate review process. The Department intends to maintain and fund the health actuary staff person who currently conducts all health insurance rate reviews. Additionally, the Department intends that grant funds will be used solely to fund the four new FTEs, and the enhancements and improvements to the health insurance rate review process and not to supplement any budgetary constraints.

The Department currently is authorized to review and approve health insurance rates for most health insurance policies issued in the District of Columbia. Specifically, the Department has "Prior Approval" authority for all individual policies, and group policies issued by health maintenance organizations. The Department also has "File and Use" authority over group policies issued by hospital and medical services corporations. While the Department does not

have a filing requirement for insurance company group policies, rates for those policies cannot be excessive, inadequate, or unfairly discriminatory.

The Department has the authority to oversee enhancements to the insurance rate review program and the collection and reporting of health insurance rate information as required under the Grant Program. Additionally, the Council of the District of Columbia is finalizing legislation to expand the Department's health insurance rate review authority. The Department looks forward to working with the Department of Health and Human Services to utilize the Grant Program to increase access to, and affordability of, health insurance in the District of Columbia.

The following information is being provided as requested by the Grant Program:

Eligible Entity: The District of Columbia Government, Department of Insurance, Securities and Banking

Title of Project: Health Insurance Rate Review Enhancement and Reporting Program

Project Director: Mr. Philip Barlow
Associate Commissioner for Insurance
Department of Insurance, Securities and Banking
810 First Street, NE
Suite 701
Washington, DC 20002
(202) 442-7823 (O)
(202) 535-1168 (F)
philip.barlow@dc.gov

Thank for your consideration of the Department's application to the Grant Program. Please contact Mr. Philip Barlow if you have any questions or require additional information.

Sincerely,



Gennet Purcell
Commissioner



ADRIAN M. FENTY
MAYOR

July 6, 2010

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

**Re: District of Columbia Application for Grants to States for Health Insurance
Premium Review-Cycle I**

Dear Madam Secretary:

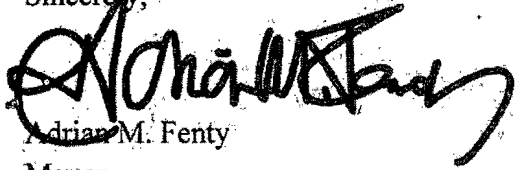
The District of Columbia appreciates the opportunity to participate in the Grants to States for Health Insurance Premium Review-Cycle I ("Grant Program") that will assist the District of Columbia to enhance its oversight of the health insurance rate approval process in the District of Columbia. The establishment of reasonable and affordable insurance rates is an important component of the implementation of the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010 ("Health Reform Acts"). The District of Columbia is fully supportive of the Health Reform Acts and looks forward to working with the Department of Health and Human Services to implement the Health Reform Acts in the District of Columbia to increase access to affordable and quality health care to its citizens. Accordingly, the District of Columbia supports the attached application of the Department of Insurance, Securities and Banking ("Department") to the Grant Program.

While the Department recently has taken steps to improve its health insurance rate review program, the grant will be used to significantly enhance the Department's process for the review and approval of rates of health insurers. Additionally, the Department will develop procedures and a system to collect and report health insurance rates and trends in health insurance coverage to the Secretary. The system also would be used to provide health insurance rate information to the public. Finally, the Department will use a portion of the grant to establish a data center to compile and publish fee schedule information. The District of Columbia will monitor the

expenditure of grant funds to ensure they are not used to supplant existing District expenditures or explain any fiscal constraints.

I am confident you will find that the Department's application meets the requirements of the Grant Program and that the Department will be an excellent partner in implementing the Health Reform Acts in the District of Columbia. Thank you for the invitation to apply for a grant and I look forward to working with you to improve health care in the District of Columbia.

Sincerely,

A handwritten signature in black ink, appearing to read "Adrian M. Fenty". The signature is stylized and cursive, with a large initial "A" and "F".

Adrian M. Fenty

Mayor

Objective Work Plan

Project:

Premium Review Grant

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

1

Provide the Secretary with information about rate trends in health insurance coverage as well as meet other reporting guidelines as outlined in this grant announcement.

*** Objective:**

Develop an automated system to generate reports or data needed to provide the Secretary with the information needed to support this grant.

*** Results or Benefits Expected:**

Provide requested information with little or no required effort by Department staff.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Engage NAIC to develop enhancements to SERFF to address data collection and reporting requirements.	Actuary	10/01/2010	06/30/2011	0

Objective Work Plan

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

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

Whether accurate and timely information about rate filing trends and other required information can be provided to the Secretary.

Objective Work Plan

Project:

Premium Review Grant

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

1

Enhancing Consumer Protection Standards

*** Objective:**

The Department will post information in a consumer-friendly format on our web site and on the District-wide web site devoted to health care reform to meet the transparency requirements of HHS and DC law.

*** Results or Benefits Expected:**

Enhance transparency in the rate filing process by posting to a public web site information about the rate filing and justification in an easy to understand language for the public.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Hire a health insurance consumer specialist position to manage the enhanced communication with consumers, consumer groups and other stakeholders about health insurance rates.	Associate Commissioner for Insurance	08/09/2010	09/30/2010	0
Engage consultant to develop and implement a web site that will provide information on health insurance rates and proposed rate increases to DC residents and employees.	Health Insurance Consumer Specialist	09/01/2010	03/31/2011	0

Objective Work Plan

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

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

Implementation of a web site that provides consumer friendly information about health insurance rates and proposed rate filings.

Objective Work Plan

Project:

Premium Review Grant

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

1

Establish a data center to compile and publish fee schedule information.

*** Objective:**

Issue a grant to an academic or other nonprofit research institutions to identify a specific plan for the development of the data center. It is not anticipated that a data center can be fully operational with this grant and proposals will also be required to provide information on additional funding needed to become operational.

*** Results or Benefits Expected:**

Initial development work on a data center to publish fee and schedule information.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Develop an RFP and solicit proposals for developing a data center.	Associate Commissioner for Insurance	08/09/2010	09/30/2011	0

Objective Work Plan

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

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

Grant issued and preliminary work completed with a report to the Department on work taht was done and remaining work to implement the data center.

Objective Work Plan

Project:

Premium Review Grant

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

1 Establish a data center to compile and publish fee schedule information.

*** Objective:**

Issue a grant to an academic or other nonprofit research institutions to identify a specific plan for the development of the data center. It is not anticipated that a data center can be fully operational with this grant and proposals will also be required to provide information on additional funding needed to become operational.

*** Results or Benefits Expected:**

Initial development work on a data center to publish fee and schedule information.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Develop an RFP and solicit proposals for developing a data center.	Associate Commissioner for Insurance	08/09/2010	09/30/2011	0

Objective Work Plan

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

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

Grant issued and preliminary work completed with a report to the Department on work taht was done and remaining work to implement the data center.

Objective Work Plan

Project:

Premium Review Grant

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

1

Expanding the scope of current review and approval activities and improving rate filing requirements

*** Objective:**

DISB will engage legal and technical experts to provide legislative proposals to improve health insurance regulatory scheme in the District of Columbia.

*** Results or Benefits Expected:**

Experts will provide drafts of legislation and regulations incorporating rate review best practices and making requirements identical for insurance companies, HMOs and HMSCs.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Engage actuarial and technical experts to review current DC rate filing framework, other jurisdictions framework and current practices and develop recommendations for changes.	Associate Commissioner for Insurance	10/01/2010	09/30/2011	0
Submit legislative changes to Council of the District of Columbia for consideration.	Commissioner	04/01/2011	09/30/2011	0

Objective Work Plan

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

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

Legislative proposals and draft regulations that contain requirements for rate filings that improve the quality of our review. ^o

Legislative proposals that make the regulation of health insurance rates identical whether issued by insurance companies, HMOs or HMSCs.

Project Abstract – Premium Review Grant, CFDA: 93.511

The Department of Insurance, Securities and Banking (“DISB”) currently has “Prior Approval” authority for all individual policies as well as group policies issued by Health Maintenance Organizations. Hospital and Medical Service Corporations group rate filings are “File and Use” and insurance company group policies have no rate filing requirement. Additionally, there is limited specificity in District of Columbia law concerning criteria to use in reviewing rate filings beyond that they not be “excessive, inadequate or unfairly discriminatory”. There is currently no authority or process for public input into the health insurance rate filing process.

DISB intends to utilize the \$1 million Premium Review Grant to:

- Review the existing legal framework in the District of Columbia for reviewing and approving health insurance rate filings, review other state’s rate filing regulatory framework, review existing rate filing practices by health insurers and consider potential rate filing practices that may be implemented as a result of PPACA. Then identify best practices and the type and detail of information required to be included in a rate filing and develop legislation. (\$200,000)
- Increase staffing to review and analyze health insurance rate filings. Hire a Fellow of the Society of Actuaries or an Associate of the Society of Actuaries with expertise in health insurance to oversee the review of health insurance rate filings and an Actuarial Student to review health insurance rate filings. (\$322,825)
- Hire a health insurance analyst. The Analyst will not directly review rate filings, but will analyze data from the rate filings to identify trends and develop statistical information to assist the actuaries in their review of rate filings. The analyst also will bring in information from the financial statements of the filers as well as information from other jurisdictions. (\$150,183)
- Purchase a computer-based modeling system to allow for more sophisticated analysis of the health insurance rate filings. (\$50,000)
- Develop a training regimen to get staff proficient with using the software. In addition to training on the software from the vendor, DISB will engage actuarial consultants to provide training on techniques to use in reviewing rate filings. (\$50,000)
- Develop enhancements to SERFF to address data collection and reporting requirements and develop reports that will meet HHS and internal requirements. (\$27,169)
- Develop a web site containing information in a consumer-friendly format devoted to health care reform to meet the transparency requirements of HHS and District of Columbia law. (\$50,000)
- Hire a health insurance consumer specialist position to manage the enhanced communication with consumers, consumer groups and other stakeholders. (\$96,223)
- Develop a data center to collect and analyze medical reimbursement data. (\$50,000)

As a result of the activities listed above, DISB will have additional resources in terms of manpower, analytical tools, training, data and regulatory authority to review rate health insurance rate filings. DISB will also have additional resources for providing consumer information in the form of a web site developed to provide consumer-friendly information and a staff person responsible for consumer outreach on health insurance rates.

Project Narrative

Premium Review Grant – CFDA: 93.511

a) Current health insurance rate review capacity and process

- General health insurance rate regulation information:

The District of Columbia Department of Insurance, Securities and Banking (“DISB”) licenses insurance companies, Health Maintenance Organizations (“HMO”) and Hospital and Medical Service Corporations (“HMSC”) that provide health insurance to individuals and groups in the District of Columbia. Each type of licensee provides individual, small group and large group health insurance policies. The regulation of health insurance rates for each type of licensee is covered in a different section of the District of Columbia Official Code. In addition, there are several mandates that are applicable to health insurance policies. A listing of the mandates, including the statutory reference is included. (Attachment 1) The mandates, except as identified in Attachment 1 are applicable to all health insurance policies covered by Section 2797 of the Public Health Service Act. The District of Columbia does not allow territorial ratings for health insurance. The District of Columbia also does not have any regulatory distinction between small group and large group health insurance rates.

For insurance companies, health insurance rates for all health insurance products – including most of those that are considered “excepted benefits” in Section 2791 of the Public Health Service Act – are regulated by the provisions of DC Official Code Section §31-4712. (Attachment 2) This section covers only individual health insurance policies. The only authority DISB has for group insurance policies is that they comply with the mandates. Although §31-4712 predominantly covers policy form requirements, it indicates that rates for individual health insurance issued by insurance companies are on a “Prior Approval” basis. Beyond the requirement for prior approval, there are no regulatory

requirements for rates. Property & casualty insurance companies issuing health insurance are referred to this section of the District of Columbia Official Code.

HMO rates, both individual and group, are regulated by the provisions of DC Official Code §31-3415. (Attachment 3) That provision provides that rates "shall not be excessive, inadequate, or unfairly discriminatory" and a "statement by a qualified actuary or other qualified person acceptable to the Commissioner as to the appropriateness of the use of the methodology, based on reasonable assumptions, shall accompany the filing along with adequate supporting information". All HMO rates are regulated on a "Prior Approval" basis.

The District of Columbia has one non-profit HMSC offering health insurance products in the District of Columbia. The rates for this company are regulated by DC Official Code §31-3508. (Attachment 4) That provision requires that rates "shall not be excessive, inadequate, or unfairly discriminatory in relation to the services and benefits offered." Rates for individual contracts are on a "Prior Approval" basis and rates for group contracts are on a "File and Use" basis. Rates that have been previously approved may be disapproved if the HMSC is not able to prove the rate is in compliance.

The Council of the District of Columbia is currently considering legislation that would implement a minimum medical loss ratio ("MLR") for health insurance policies and rebates for plans that fail to meet the minimum MLR.

- Health Insurance rate review and filing requirements:

For the District of Columbia, health insurance rate filings should have seven categories of information. These categories include a Cover Letter, Certificate of Authority, Actuarial Memorandum, Loss Ratio

Analysis, Premium Experience, Rate Tables and the standard NAIC Transmittal Document. Attached is a detailed listing of the requirements. (Attachment 5)

The process followed in reviewing rate filings is similar for all individual and group health insurance. DISB has one full time staff member whose function is to review health insurance rate filings. DISB recently has used outside actuaries to review previously approved rate filings as a result of consumer complaints. DISB requires all health insurance rate filings be submitted through the National Association of Insurance Commissioner's ("NAIC") System for Electronic Rate and Form Filing ("SERFF"). The purpose of the review is to determine whether the rates are inadequate, excessive, or unfairly discriminatory for all filings.

The SERFF system is designed to facilitate the perfection of rate filings using an iterative process. This process is such that questions and objections to a submission in whole or in part are sent to the filing company to respond to DISB objections and/or to provide supplemental information or justification. This process is repeated until the filing is withdrawn; all objections and questions are answered and the filing is modified, amended or appended to be in compliance; or in the instance where it is not, rejected.

The current rate review procedures are not fixed fast-and-hard steps. Rather the process is an art in which the reviewer drills down as needed to interpret what purpose or ends a filer is attempting to achieve. The general procedures of the review are executed as follows. The most central and highly important element is the loss ratio analysis that ensures the loss ratio for the filed product is in compliance with required minimum loss ratios, filed target loss ratios, and the underlying supporting data is logical, credible and valid. Health insurance rate determination is largely a function of claims experience levels and the loss ratio targets for any given block of business. Incurred but not reported assumptions, and claims reserves impact on the loss ratio as well as sensitivity to interest rate or other assumptions is analyzed.

For domestic companies, more time is taken and additional scrutiny is undertaken to understand the nature of the filing and its impact. More scrutiny typically is given to larger companies, those with large market share, and those with issues such as complaints, warning signs, weak financial condition, and so on.

The nature of the rate change and the rationale for the action is considered and any proposed rate methodology change is analyzed and considered. Then actuarial assumptions used in the filing are reviewed and evaluated. In particular staff reviews actuarial assumptions such as lapse rates, persistency, credibility, and interest, which individually or collectively can have a great impact on a filing.

The overall premium impact in comparison to the status quo is considered. The magnitude of an increase (as a percentage and in dollars) is considered along with its affordability and the burden it may place on policyholders. In some instances, increases are phased-in, curtailed, or capped. In cases where some policyholders have small decreases and others large increases, a floor and cap in concert might be implemented.

The number of policyholders in a block and the number affected by rate changes is reviewed and taken into consideration. Additionally, the level of difference the impact among affected policy holders makes is considered. For example, DISB will look to see whether an across-the-board change or a non-uniform impact is being proposed and whether the impact is disparate among those in a cohort, why that occurs and whether that is acceptable or not. DISB will also consider whether the affected business is determined to be either an Open or Closed Block. DISB considers the history of rate changes made on the block of business, their magnitude, frequency, and the rationale and the pattern therein, including the relationship of actual to expected.

DISB also considers the financial condition of the company in cases where the company is not vigorous and healthy, on a watch list, has had regulatory action taken against it, or exhibits any other warning signs

or indications of insolvency. This may include appeals by other jurisdictions regarding companies under supervision or regulatory action. All filings are evaluated for completeness.

Finally, any increase in order-of-magnitude 10% or greater is referred to an executive panel for consideration. The panel reviews particulars of the filings, makes recommendations for further inquiry or action, and determines final disposition of the filing. A table of recent rating actions by DISB is included.

(Attachment 6)

- An explanation of current level of resources and capacity for reviewing health insurance rates:

Information Technology (IT) and systems capacity

DISB utilizes SERFF and there has been no noticeable down-time or interruptions with DISB's IT network and the system is continuous monitoring to warn DISB staff technicians of any problems or interference during non-working hours.

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

In addition to insurance DISB regulates securities and banking functions in the District of Columbia.

However, there is a separately identified budget and funding for insurance regulatory functions and that

is the basis for the information provided in DISB's application. For fiscal year 2010 the budget for the insurance regulatory function is \$7,648,768!

Formatted: Highlight

All basic rate review and analysis is presently conducted in house by actuarial staff which is comprised

Formatted: Highlight

of one GS-10 series (actuary) employee. Actuaries hold degrees in actuarial science, mathematics, or a

Formatted: Highlight

related field; sit for professional exams; and undergo specialized training in addition to bringing

experience to the task. The cost of the employee is \$117,418 which includes salary and benefits. There

Formatted: Highlight

is supervisory and management staff that oversees the work of the rate review process, as well as legal

and other departmental staff, however an allocation of their cost would not add material information to this narrative.

From October 2007 through June 2010, DISB received 893 health insurance rate filings, an average of approximately 27 per month.

- Consumer protections:

Pursuant to the District of Columbia's Freedom of Information Act, D.C. Official Code § 2-531 *et seq.* ("FOIA"), any person may request copies of any approved rate filing. However, the disclosure of any information on file with DISB is subject to the exemptions provided in § 2-534, which includes an exemption for trade secrets and commercial or financial information that, if disclosed, would result in substantial harm to the competitive position of the party from whom the information was obtained. If confidential or privilege status has been asserted for the requested information, the FOIA Officer will notify the party asserting the confidential or privilege status and offer the party an opportunity to explain the basis for why the information should be exempt from disclosure. The FOIA Officer will then review the filings and determine whether to disclose the filings.

DISB currently does not provide summaries of rate changes to consumers. Advance notice is not currently given to consumers prior to proposed rate changes. Consumers do not have a period to review or comment on proposed rate changes. There is no process for public meetings or hearings on rate filings.

From June 2008 through June 2010, DISB received 732 complaints on health insurance related issues. Of those complaints, 69 involved an issue with the premium and rating. Generally those complaints were about the size of a rate increase and include individual and group policies. Of the 69 complaints,

three are still open and 27 were identified as justified complaints. Justified complaints were generally complaints affected by the orders to rescind or roll back some rate increases.

- Examination and Oversight:

DISB determined that CareFirst submitted a filing with a 35% rate increase that was based on experience data that was incorrect due to an error by CareFirst in loading the prior year's rates into its administrative system. DISB issued an order rescinding that rate increase. In March 2010, the Council of the District of Columbia passed legislation that temporarily prohibited rate increase of more than 10% (or 15% with sufficient justification) for HMOs and HMSCs. For HMSCs the legislation authorized the Commissioner to rescind rates approved after January 1, 2010. The temporary measure expired in June 2010. DISB issued three orders relating to previously approved rate increases by CareFirst, which operates an HMO and the non-profit HMSC in the District of Columbia. The orders rolled back to 12% any approved rates in excess of 12%. The rescission and rollback orders affected approximately 10,000 contracts through reduced premiums going forward and in some cases a refund of amounts already paid.

Formatted: Highlight

CareFirst has the largest market share of any insurance group operating in the District of Columbia with over 40% of the total market, including 80% of the individual market.

Formatted: Highlight

DISB is currently conducting a Market Conduct examination CareFirst, which is focusing on the rate filing where an administrative system error led to incorrect data being used in some filings. A Market Conduct examination is ongoing at Aetna which is reviewing a large group rate filing in which actual company practices with regard to rate filings are not consistent with the rate filing. Additionally, action is currently in the planning stages for an action against a United HealthCare HMO for failure to properly file for rate increases.

Pursuant to legislation enacted by the Council of the District of Columbia, DISB held a hearing on September 10, 2009, to determine whether the non-profit HMSC operating in the District of Columbia

had excessive surplus. If a finding of excessive surplus is made, the HMSC must submit a plan to utilize the excess for community health reinvestment. If no plan is submitted, the Commissioner is directed to deny all rate increases for a period of 12 months. The determination is pending.

There is an ongoing problem with companies that do not provide the information requested in the rate filing document (Attachment 5) and regularly companies do not provide the calculations of some of the important factors that impact the indicated rate need, i.e. on-level premium factors, loss cost multipliers, loss cost modifiers, etc. This is probably partly the result of different requirements for different states and can be best addressed by standardizing the required information needed in support of a rate filing.

b) Proposed rate review enhancements for health insurance

- Expanding the scope of current review and approval activities:

DISB currently has "Prior Approval" authority for all individual policies as well as group policies issued by HMOs. HMSC group rate filings are "File and Use" and insurance company group policies have no rate filing requirement. Additionally, there is limited specificity in District of Columbia law concerning criteria to use in reviewing rate filings beyond that they not be "excessive, inadequate or unfairly discriminatory". The District of Columbia Council held a hearing on June 30, 2010, on legislation ("Reasonable Health Insurance Rate-making and Reform Amendment Act of 2010") that will provide additional authority for DISB to review all health insurance rate filings and establishes criteria for DISB to use when evaluating rate increases. A copy of the legislation is attached. (Attachment 7) Based on testimony by DISB and witnesses at the hearing, it is likely that additional criteria will be added to the legislation, as well as, the addition of transparency requirements.

DISB intends to utilize the grant to engage legal and technical experts to review the existing legal framework in the District of Columbia for reviewing and approving rate filings, review other state's rate filing regulatory framework, review existing rate filing practices by health insurers and consider potential

rate filing practices that may be implemented as a result of PPACA. The experts will identify best practices and identify the type and detail of information required to be included in a rate filing to allow for a robust and thorough review of the filing. The best practices should also address how and when to incorporate public input into the rate approval process.

The experts will develop proposals for specific changes to the District of Columbia Code and related regulations to make the rate filing requirements consistent across all types of issuers (insurance companies, HMOs and HMSCs). The draft legislation and regulations will include best practices from other jurisdictions. The draft regulations will include templates for the information required to be included in to support a rate filing request and the process for public input. The goal will be to develop a regulatory framework that ensures the implementation of PPACA results in the determination of MLRs and refunds that are appropriate and consistent regardless of health insurance product and type of issuer.

- Enhancing rate review process - Staffing:

DISB intends to utilize the grant to increase staffing to review and analyze health insurance rate filings. DISB is proposing to hire a Fellow of the Society of Actuaries or an Associate of the Society of Actuaries with expertise in health insurance to oversee the review of health insurance rate filings and an Actuarial Student to review health insurance rate filings. This will provide DISB with additional resources and expertise that will allow a more robust and thorough review of the filings.

The new Actuary will be tasked with reviewing our current methodology and make recommendations on improvements in the filing requirements for health insurance rate filings and the type and level of detailed analysis that is including in the review. As will be discussed in more detail below, part of this review will include the acquisition of software and training to provide additional tools to review rate filings. Additionally, the Actuary will be tasked with developing a priority system to identify rate filings that need extra scrutiny.

DISB will hire a health insurance analyst. The Analyst will not directly review rate filings, but will analyze data from the rate filings to identify trends and develop statistical information to assist the actuaries in their review of rate filings. The analyst also will bring in information from the financial statements of the filers as well as information on filings approved in other jurisdictions.

- Enhancing rate review process – IT capacity:

There are two areas DISB will improve related to IT capacity through the grant. First, DISB will purchase a computer-based modeling system to allow for more sophisticated analysis of the health insurance rate filings that will enable the actuaries to conduct a more robust and thorough review of rate filings. The purchased software will be one of three types:

- A commercially available software package designed specifically for modeling health insurance products and business.
- A commercially available software package designed for property & casualty modeling that can be reasonably used for modeling health insurance.
- Applications that can be developed to run using an Excel spreadsheet.

In addition to purchasing the software, DISB will develop a training regimen to get staff proficient with using the software. In addition to formal training on how to use the software from the vendor, DISB also will engage actuarial consultants to provide training to actuarial staff on techniques to use in reviewing rate filings.

DISB will use grant funds for the NAIC to develop enhancements to SERFF to address data collection and reporting requirements, such as, State options to indicate premium review grant participation; inclusion of an indicator for rate filing requests meeting the HHS threshold for 'unreasonable'; addition of a field to indicate product types; company-maintained product information, including product name, HHS id; and product status that will allow the companies to track products and apply them to filings; a new set of fields added to the Rate/Rule schedule items to provide HIPR data on a policy form basis; and

changes to the State API to accommodate retrieval of the data elements added above and to allow for updates of appropriate data elements via the State API. The NAIC also will develop SERFF reports that will meet HHS and internal reporting requirements. In addition, as discussed below, SERFF will be enhanced to provide support for making consumer friendly rate disclosures and/or rate filing information available publicly.

- **Enhancing consumer protection standards:**

Currently, DISB provides raw rate filing information for filings - after they have been reviewed and approved by the actuarial staff - in response to FOIA requests. As discussed above, the Council of the District of Columbia is expected to add transparency requirements to health insurance rate filings as part of legislation that has been introduced in the Council (Attachment 7). The requirements are expected to require the posting of rate filing information for a period of time for public comment prior to final approval by DISB. DISB will engage a consultant to develop a web site containing information in a consumer-friendly format devoted to health care reform to meet the transparency requirements of HHS and DC law.

The Department will also hire a health insurance consumer specialist position to manage the enhanced communication with consumers, consumer groups and other stakeholders about health insurance rates. This person will coordinate the public input component of the rate filing process, as well as, conduct outreach to District residents and employers, focusing on those in underserved markets to let them know about the information and opportunity for input that is available to them. This person will also take responsibility for providing the required information to HHS.

c) Reporting to the Secretary on Rate Increase Patterns

The number of projected Health Rate filings for 2011 (Attachment 8) was estimated using the actual number of Health Rate filings submitted via SERFF from October 1, 2007 (the date SERFF was first

mandated) through the present (June 2010). This data understates the actual total. Using these values from SERFF an estimated value for each month was calculated for our model by applying a linear least squares estimate regression technique. That model was used to calculate estimated values for Health Rate filings for the projection range. The models monthly estimated values for the period July 2010 through December 2010 were added to actual values for the period January through June 2010 to obtain the total projected number of filings for 2010. The monthly estimated values for the period January 2011 through December 2011 were summed to obtain the total projected number of filings for 2011.

d) Optional Data Center Funding

DISB will solicit proposals for developing a data center to collect and analyze medical reimbursement data. The selected vendor will be required to meet the criteria established in this grant. DISB intends to allocate \$50,000 to the data center and expects proposals to identify a specific plan for the development of the data center. It is not anticipated that a data center can be fully operational with this grant and proposals will also be required to provide information on additional funding needed to become operational, which may come from additional federal grants or DISB resources. The \$50,000 allocation will go to a single grantee.

Formatted: Highlight

Project Time Line

Premium Review Grant – CFDA: 93.511

Based on the anticipated award date of August 9, 2010, the Department of Insurance, Securities and Banking does not expect to disburse funds until FY2011, although work towards expending the funds will begin once the grant is awarded.

August 9, 2010 Activities:

- Release job postings for the four new positions
 - Actuary
 - Actuarial Student
 - Health Insurance Analyst
 - Health Insurance Consumer Specialist
- Release RFPs
 - Legal Framework Review
 - Data Center Grant

October 2010 Activities:

- Target date for hiring new staff
- Select Legal Framework Review consultants and commence work

November 2010 Activities:

- Actuary to release RFP for modeling software
- Consumer Specialist to release RFP for web site design
- Consumer Specialist to coordinate SERFF updates

December 2010 Activities:

- Actuary to select modeling software and training consultants
- Consumer Specialist to select web site design vendor and commence work

2Q FY2011 Activities:

- Award Data Center grant
- Commence training on modeling software
- Introduce Health Insurance Rate Information web site

3Q FY2011 Activities:

- Complete SERFF enhancements

4Q FY2011 Activities:

- Complete Legal Framework Review and develop proposed legislation and regulatory enhancements

Budget Narrative

For Fiscal Year 2010, the budget for the insurance regulatory function is \$7,648,768. The cost of the full-time employee engaged in health insurance rate reviews is \$117,418, which includes salary and benefits.

Formatted: Highlight

Formatted: Highlight

- Expanding the scope of current review and approval activities:

The Department will engage legal and technical experts to review our regulatory framework in FY 2011.

Legal and Technical experts	200,000
-----------------------------	---------

- Enhancing rate review process - Staffing:

The Department will add four new positions. It is anticipated that these positions will be filled by the beginning of FY 2011 and therefore the costs related to the new staff are as follows:

Personnel	Total	Salary	Benefits	Travel	Equipment
Actuary	172,642	137,599	25,043	5,000	5,000
Actuarial Student	150,183	118,598	21,585	5,000	5,000
Analyst	150,183	118,598	21,585	5,000	5,000
Specialist	99,823	75,992	13,831	5,000	5,000
Total	572,831	450,787	82,044	20,000	20,000

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

- Enhancing rate review process – IT capacity:

There are two areas the Department will improve related to IT capacity through the grant. First, the Department will seek to purchase a computer-based modeling system. The Department expects to identify the appropriate software in the first quarter of FY 2011 for acquisition by 12/31/10. Training on

the use of the software and techniques to use in reviewing and analyzing rate filings will take place in the second quarter of FY 2011. The total cost for software and training is:

Software including maintenance	50,000
Training and Consulting	50,000
Total	100,000

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

The Department intends to use grant funds to develop enhancements to System for Electronic Rate Form Filing ("SERFF") to address data collection and reporting requirements. Additionally, the Department will enhance SERFF to provide support for making consumer friendly rate disclosures and filing information available. The system enhancements will be done in FY 2011.

SERFF Enhancements	27,169
--------------------	--------

Formatted: Highlight

- Enhancing consumer protection standards:

The Department will engage a consultant to develop a web site to provide consumer information regarding health insurance rates in the District of Columbia.

Consumer web site development	50,000
-------------------------------	--------

Formatted: Highlight

The Department also will issue a grant in FY 2011 for initial work on a data center.

Data Center Grant	50,000
-------------------	--------

Formatted: Highlight

Total Grant Expenditures in FY 2011	1,000,000
--	------------------

Formatted: Highlight

DC

Philip Barlow, FSA, MAAA

810 First St. NE Suite 701

Washington, DC 20002

(202)442-7823

philip.barlow@dc.gov

**PROFESSIONAL
EXPERIENCE:**

GOVERNMENT OF THE DISTRICT OF COLUMBIA 2000-current
DEPARTMENT OF INSURANCE, SECURITIES &
BANKING

Associate Commissioner for Insurance (7/05 – current)

Responsible for oversight of all traditional insurance company operations in the District of Columbia. This includes financial examinations and analysis, policy form and rate review, producer and company licensing, consumer complaints and market conduct.

Represent the Department on several NAIC committees, including chair of the Life Risk Based Capital Working Group. Meet with delegations of foreign regulators in DC and represented the NAIC in traveling to and working with foreign regulators (India and Egypt).

Assistant Director, Financial Examinations (4/00 – 7/05)

Responsible for financial oversight of insurance companies and HMOs domiciled in the District of Columbia. Also responsible for rate filing analysis for health and P&C companies.

ACACIA LIFE INSURANCE COMPANY, 1984 – 1999
Bethesda, Maryland

Vice President & Actuary (10/94 – 8/99)

Responsible for developing and managing the Actuarial Department personnel and budget, including policy filing and reinsurance administration.

2nd Vice President & Associate Actuary (9/92 – 10/94)

Responsible for financial reporting and valuation including statutory and tax reserves and Asset Adequacy Analysis.

Assistant Actuary (10/88 – 9/92)

Responsible for individual life insurance and annuity product development and implementation. Provided analytical support for the field and home office personnel.

Actuarial Assistant (11/84 – 10/88)

Product development, pricing and implementation.

AMERICAN BANKERS INSURANCE GROUP, 1983 – 1984
Miami, Florida
Actuarial Student

EDUCATION:

Bachelor of Business Administration, Georgia State University,
Atlanta Georgia, 1983

Member of the American Academy of Actuaries, 1988

Fellow of the Society of Actuaries, 1993