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ATTACHMENT C

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 1 of 2

Identifying Information:

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

DUNS #: 809398480 Grant Award: \$1 million

Applicant: Mississippi Insurance Department

Primary Contact Person, Name: Aaron Sisk

Telephone Number: 601-359-3569 Fax number: 601-359-2474

Email address: aaron.sisk@mid.state.ms.us

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

**MISSISSIPPI INSURANCE DEPARTMENT
HEALTH INSURANCE PREMIUM REVIEW GRANT APPLICATION**

The Mississippi Insurance Department (hereinafter referred to as "MID") is Mississippi's primary statutory and regulatory authority for the regulation of private health insurance. MID is committed to promoting a high quality, high value, health care system and plans to enhance the State's existing rate review efforts for health insurance premiums and the reporting process with these grant funds to protect consumers from unreasonable, unjustified and /or excessive rate increases.

MID will augment the rate review and approval process to achieve the following goals:

- I. To thoroughly evaluate increases in health insurance premiums through an annual comprehensive rate review process that is meaningful and transparent to the public, enrollees, policyholders, and the Secretary of the Department of Health and Human Services (hereinafter referred to as "HHS").
- II. To develop the infrastructure to collect, analyze, and report to the HHS Secretary critical information about rate filings and review for the approval or disapproval process.

In order to obtain these goals, the grant funds will be used to support the following activities:

1. Provide enhancement activities for Mississippi's current rate review capacity for oversight over the insurers' rating practices and provide the data to the HHS Secretary.
2. In addition to meeting other reporting guidelines listed in the grant application, report data on rate increase patterns and trends in health insurance coverage to the HHS Secretary.

MID assures that the grant funds will only be used to enhance the State's existing rate review efforts and will not substitute the existing funding for such efforts. The proposed prospective plan to use the grant funds is to enhance the State process for health insurance rate review in FFYs 2010 and 2011 and to disclose the new rates to the public and the HHS Secretary.

Mississippi's Premium Review Grant Application includes the Mandatory Documents and the following documents and attached Standard Forms:

1. COVER SHEET AND STANDARD FORMS

- a. Check Off Cover Sheet
- b. Forms
 - i. SF 424: Official Application for Federal Assistance
 - ii. SF424 A: Budget Information Non-Construction
 - iii. SF 424 B: Assurances-Non-Construction Programs
 - iv. SF LLL: Disclosure of Lobbying Activities
 - v. Additional Assurance Certifications

2. REQUIRED LETTER OF SUPPORT FROM THE GOVERNOR OF MISSISSIPPI-Attached

3. MISSISSIPPI DEPARTMENT OF INSURANCE APPLICATION COVER LETTER-Attached

4. PROJECT ABSTRACT-Attached

5. PROJECT NARRATIVE-Attached

6. WORK PLAN AND TIME LINE

Activities will begin soon after the grant is approved, approximately August 9, 2010, and the enhancements will be in place by 9/30/2011. The time line includes reasonable milestones for the implementation and completion of the enhancements.

The plan for implementing the proposed enhancements to Mississippi's current rate review process is to begin as soon as the grant is awarded. The first activity will be to attempt to retain expert consultants in the legal, actuarial, health insurance, and information technology fields. Also, MID Life and Health Actuarial staff will need to increase the amount of their time dedicated to rate review. The other grant activity milestones are included in the following Grant Project Time Line and included in the three attached Objective Work Plan forms.

GRANT PROJECT TIME LINE

GRANT MAJOR ACTIVITIES	BEGINNING DATES	ENDING DATES
Retain Expert Consultants	August, 2010	September 30, 2011
MID Life and Actuarial staff increases time allocation	August, 2010	September 30, 2011
Assessment of Current Rate Review System	August, 2010	October, 2010
Begin revision and enhancement of rate review efforts after receipt of federal regulations	October, 2010	January, 2011
Draft and adopt new rate review regulations and bulletins in compliance with Federal law	October, 2010	March, 2011
Prepare draft legislation to present to MS State Legislature in compliance with PPACA and Federal law	October, 2010	March, 2011
Develop new health insurance rate review system based on consultants' assessments of the current system and the new regulations	October, 2010	April, 2011
Develop web portal on current MID website for public access to rate increase information and justifications	April, 2011	September 30, 2011
Educational outreach program for public awareness	April, 2011	September 30, 2011
MID Travel to National Conferences and In-state for Outreach Efforts	August, 2010	September 30, 2011

7. PROPOSED BUDGET

Mississippi's current funding for health insurance rate review efforts consists of \$45,000 for contractual actuary services in addition to \$66, 633 for a portion of MID staff time dedicated to the activities associated with the health insurance rate review process. A total of \$111,633 was spent in the preceding fiscal year on rate review activities.

The Mississippi Department of Insurance proposes a grant budget total in the amount of \$1,000,000.

The estimated funding requirements are detailed in the following line items to accomplish the goals of the project:

Personnel	\$100,000
Additional staff salaries plus fringe benefits	
Contractual costs, including subcontract contracts	
Actuarial Consultants	\$180,000
Legal Consultants	\$200,000
Health Insurance Consultants	\$200,000
Information Technology Consultants	\$100,000
Information Technology-Web Portal	\$100,000
SERFF System to Meet Reporting Requirements	\$ 25,000
Equipment/Supplies	\$ 25,000
Travel	\$ 20,000
Indirect Charges	-0-
Other costs	
Educational Outreach	<u>\$ 50,000</u>
TOTAL BUDGET	\$1,000,000

8. **BUDGET NARRATIVE-Attached**
9. **JOB DESCRIPTIONS-Attached**
10. **Organizational Chart-Attached**
11. **Key Contacts-Attached**
12. **MS Regulations-Attached**
13. **Examples of MS Rate Requests-Attached**

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

~~Project Abstract~~

Project Narrative Attachment Form

Budget Narrative Attachment Form

Assurances for Non-Construction Programs (SF-42)

Disclosure of Lobbying Activities (SF-LLL)

Budget Information for Non-Construction Program

Optional Documents

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

Basic Work Plan

~~Project Abstract Summary~~

Other Attachments Form

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.

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	MID_Cover Sheet.pdf	Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2	MID_Cover Letter.pdf	Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3	Governor MID Rate Review Supp	Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4	MID Letter-Memorandum of Agre	Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5	MID_Premium Review Grant App.	Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6	SF424A.pdf	Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7	SF424B.pdf	Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8	MID_Job Descriptions.pdf	Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9	MID_Org Chart.pdf	Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10	Attachment_Regulations.pdf	Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11	Attachment_Rate Examples.pdf	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

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: Completed by Grants.gov upon submission.		4. Applicant Identifier: MS Insurance Department
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: Mississippi Department of Insurance		
* b. Employer/Taxpayer identification Number (EIN/TIN): 64-6000786		* c. Organizational DUNS: 8093984800000
d. Address:		
* Street1: 501 North West Street, Suite 1001		
Street2: Woolfolk Building		
* City: Jackson		
County/Parish: Hinds		
* State: MS: Mississippi		
Province: _____		
* Country: USA: UNITED STATES		
* Zip / Postal Code: 39201-1008		
e. Organizational Unit:		
Department Name: MS Insurance Department		Division Name: Life & Health Actuarial
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: _____		* First Name: Aaron
Middle Name: _____		
* Last Name: Sisk		
Suffix: _____		
Title: Senior Staff Attorney		
Organizational Affiliation: _____		
* Telephone Number: 601-359-3577		Fax Number: 601-359-2474
* Email: aaron.sisk@mid.state.ms.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:
[Empty field]

Type of Applicant 3: Select Applicant Type:
[Empty field]

* Other (specify):
[Empty field]

*** 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:
[Empty field]

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

[Empty field]

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

Premium Review Grant

Attach supporting documents as specified in agency instructions.

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"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* 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:

BUDGET INFORMATION - Non-Construction Programs

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

SECTION A - BUDGET SUMMARY

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

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Affordable Care Act (ACA) Grants to states for health insurance premium rate review				
a. Personnel	\$ 100,000.00	\$	\$	\$	\$ 100,000.00
b. Fringe Benefits					
c. Travel	20,000.00				20,000.00
d. Equipment	25,000.00				25,000.00
e. Supplies					
f. Contractual	805,000.00				805,000.00
g. Construction	0.00				
h. Other	50,000.00				50,000.00
i. Total Direct Charges (sum of 6a-6h)	1,000,000.00				\$ 1,000,000.00
j. Indirect Charges	0.00				\$
k. TOTALS (sum of 6i and 6j)	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
7. Program Income	\$ 0.00	\$	\$	\$	\$

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. <input style="width: 90%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	
9. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
10. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
11. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
12. TOTAL (sum of lines 8-11)	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ <input style="width: 80%; text-align: right; value: 1,000,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>
14. Non-Federal	\$ <input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>
15. TOTAL (sum of lines 13 and 14)	\$ <input style="width: 80%; text-align: right; value: 1,000,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>	\$ <input style="width: 80%; text-align: right; value: 250,000.00;" type="text"/>
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. <input style="width: 90%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	
17. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
18. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
19. <input style="width: 90%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/>	
20. TOTAL (sum of lines 16 - 19)	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	\$ <input style="width: 80%;" type="text"/>	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges: <input style="width: 90%;" type="text"/>	22. Indirect Charges: <input style="width: 90%;" type="text"/>				
23. Remarks: <input style="width: 90%;" type="text"/>					

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>Deputy Commissioner of Insurance</p>
<p>* APPLICANT ORGANIZATION</p> <p>Mississippi Department of Insurance</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>

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)

Project Abstract Summary

Program Announcement (CFDA)

93.511

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

RFA-PD-10-999

*** Closing Date**

07/07/2010

*** Applicant Name**

Mississippi Department of Insurance

*** Length of Proposed Project**

1

Application Control No.

Federal Share Requested (for each year)

*** Federal Share 1st Year**

\$ 1,000,000

*** Federal Share 2nd Year**

\$ 0

*** Federal Share 3rd Year**

\$ 0

*** Federal Share 4th Year**

\$ 0

*** Federal Share 5th Year**

\$ 0

Non-Federal Share Requested (for each year)

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

\$ 0

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

\$ 0

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

\$ 0

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

\$ 0

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

\$ 0

*** Project Title**

Premium Review Grant

Project Abstract Summary

* Project Summary

MID PROJECT ABSTRACT

The Mississippi Insurance Department (hereinafter "MID") intends to use the subject grant award to assist it in completely overhauling its existing rate review regulations, bulletins, standards, IT systems, and internal protocols. Also, MID will attempt to pass legislation in order to bring it into full compliance with PPACA and the forthcoming rate review regulations that will be promulgated by the Secretary of Health and Human Services as required by PPACA.

Should MID be awarded the grant, then within the first month, it shall attempt to retain experts in the legal, actuarial, IT and health insurance fields as consultants to assist MID with its complete overhaul of its health insurance rate review process. Legal experts will be needed to explore PPACA and the subsequent regulations in order to advise MID as to what regulations it may consider adopting and assist MID in drafting legislation to present to the Mississippi State Legislature to bring Mississippi law into compliance with Federal law. Actuarial experts will be needed to advise MID on the actuarial aspects of the new rate review process and perform the actual review of rate increase requests. IT experts will be called upon by to assess MID's current technical capabilities and advise as to what improvements may be made in order to efficiently compile rate review data, increase the speed at which rate increase requests may be processed, increase accessibility to rate filings, and provide a mechanism so that rate increase information may be disseminated to the public in an efficient and easy to understand manner. Experts in the field of health insurance will be retained by MID to first assess its current rate review processes and the new standards as set forth by PPACA and HHS regulation and propose models for new processes and protocols to be established by MID to significantly enhance its current rate review process. These experts will also assist MID in its efforts to educate the public on health insurance rates and improve public access to rate increase information in an easy to understand manner. The total budget for this project is \$1,000,000.00.

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

2500000

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: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name: <input type="text" value="Mississippi Insurance Department"/> * Street 1: <input type="text" value="501 North West Street, Suite 1001"/> Street 2: <input type="text" value="Woolfolk Building"/> * City: <input type="text" value="Jackson"/> State: <input type="text" value="MS; Mississippi"/> Zip: <input type="text" value="39201-1008"/> Congressional District, if known: <input type="text"/>		
5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime: 		
6. * Federal Department/Agency: <input type="text" value="Department of Health and Human Services"/>	7. * Federal Program Name/Description: <input type="text" value="Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review"/> CFDA Number, if applicable: <input type="text" value="93.511"/>	
8. Federal Action Number, if known: <input type="text"/>	9. Award Amount, if known: \$ <input type="text"/>	
10. a. Name and Address of Lobbying Registrant: Prefix: <input type="text" value="Mr."/> * First Name: <input type="text" value="Mark"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Haire"/> Suffix: <input type="text"/> * Street 1: <input type="text" value="501 North West Street, Suite 1001"/> Street 2: <input type="text" value="Woolfolk Building"/> * City: <input type="text" value="Jackson"/> State: <input type="text" value="MS; Mississippi"/> Zip: <input type="text" value="39201-1008"/>		
b. Individual Performing Services (including address if different from No. 10a) Prefix: <input type="text" value="Mr."/> * First Name: <input type="text" value="Aaron"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Sisk"/> Suffix: <input type="text"/> * Street 1: <input type="text"/> Street 2: <input type="text"/> * City: <input type="text"/> State: <input type="text"/> Zip: <input type="text"/>		
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 user 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: <input type="text" value="Completed on submission to Grants.gov"/> * Name: Prefix: <input type="text"/> * First Name: <input type="text" value="Mark"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Haire"/> Suffix: <input type="text"/> Title: <input type="text" value="Deputy Commissioner of Insurance"/> Telephone No.: <input type="text" value="601-359-2553"/> Date: <input type="text" value="Completed on submission to Grants.gov"/>		

OMB Form 2780-104

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Standard Form - LLL (Rev. 7-97)



STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

HALEY BARBOUR
GOVERNOR

June 30, 2010


Commissioner Mike Chaney
Mississippi Insurance Department
1001 Woolfolk State Office Building
501 N. West St.
Jackson, MS 39201

Dear Mike,

I am writing in support of your efforts to obtain federal grant funds as allocated by the Premium Review Grant, an opportunity funded as part of the Patient Protection and Affordable Care Act. It is my wish that these funds be used to enhance the Department's health insurance rate review activities for the benefit of the people of the State of Mississippi.

If you have any questions, please contact Marie Sanderson at 601-576-2014 or msanderson@governor.state.ms.us.

Sincerely,


Haley Barbour



MISSISSIPPI INSURANCE DEPARTMENT

501 N. WEST STREET, SUITE 1001
WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.doi.state.ms.us

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MAILING ADDRESS
Post Office Box 78
Jackson, Mississippi 39205-0078
TELEPHONE: (601) 359-3589
FAX: (601) 359-2474
WATS: 1-800-662-2857 (Incoming - USA)

July 7, 2010

The Honorable Kathleen Sebelius
Secretary, United States Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Sebelius:

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Chaney", written over a horizontal line.

Mike Chaney
Commissioner of Insurance



MISSISSIPPI INSURANCE DEPARTMENT

501 N. WEST STREET, SUITE 1001
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Jackson, Mississippi 39205-0078
TELEPHONE: (601) 359-3569
FAX: (601) 359-2474
WATS: 1-800-562-2957 (incoming - USA)

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

July 7, 2010

The Honorable Kathleen Sebelius
Secretary, United States Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Sebelius:

Attached please find The Mississippi Insurance Department's ("MID") application for The Grants to States for Health Insurance Premium Review-Cycle I program. Aaron Sisk shall serve as the Program Director for the Mississippi Health Insurance Rate Review Program should the aforementioned grant be awarded to MID.

MID is charged, generally, with regulating the business of insurance within the State, and all insurance companies transacting business in Mississippi are subject to its regulation, including health insurance companies, HMOs and other managed care entities. Specifically, the Department is charged with approving all policies and forms to be utilized by insurance companies in Mississippi and the Department reviews and approves and/or acknowledges all rate filings, including health insurance rate filings. Rate review activities fall squarely within the authority and jurisdiction of the Department. See Miss. Code Ann. §§83-1-1; 83-5-1; 83-9-1, *et seq.*; 83-41-301, *et seq.*; and 83-41-401, *et seq.*; MID Regulation 73-4; and MID Bulletin 94-1.

Like many other States, the State of Mississippi is currently in a state of financial crisis. Therefore, the award of the aforementioned grant would be crucial to the enhancement of our current health insurance rate review standards to bring them into compliance with the Patient Protection and Affordable Care Act and other Federal Regulations.

Thank you for your consideration of our grant application and please do not hesitate to contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Chaney", written over a horizontal line.

Mike Chaney
Commissioner of Insurance

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

MID_Project Abstract.pdf

MID PROJECT ABSTRACT

The Mississippi Insurance Department (hereinafter "MID") intends to use the subject grant award to assist it in completely overhauling its existing rate review regulations, bulletins, standards, IT systems, and internal protocols. Also, MID will attempt to pass legislation in order to bring it into full compliance with PPACA and the forthcoming rate review regulations that will be promulgated by the Secretary of Health and Human Services as required by PPACA.

Should MID be awarded the grant, then within the first month, it shall attempt to retain experts in the legal, actuarial, IT and health insurance fields as consultants to assist MID with its complete overhaul of its health insurance rate review process. Legal experts will be needed to explore PPACA and the subsequent regulations in order to advise MID as to what regulations it may consider adopting and assist MID in drafting legislation to present to the Mississippi State Legislature to bring Mississippi law into compliance with Federal law. Actuarial experts will be needed to advise MID on the actuarial aspects of the new rate review process and perform the actual review of rate increase requests. IT experts will be called upon by to assess MID's current technical capabilities and advise as to what improvements may be made in order to efficiently compile rate review data, increase the speed at which rate increase requests may be processed, increase accessibility to rate filings, and provide a mechanism so that rate increase information may be disseminated to the public in an efficient and easy to understand manner. Experts in the field of health insurance will be retained by MID to first assess its current rate review processes and the new standards as set forth by PPACA and HHS regulation and propose models for new processes and protocols to be established by MID to significantly enhance its current rate review process. These experts will also assist MID in its efforts to educate the public on health insurance rates and improve public access to rate increase information in an easy to understand manner. The total budget for this project is \$1,000,000.00.

Project Narrative File(s)

* Mandatory Project Narrative File Filename:

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

MID PROJECT NARRATIVE

A) Current Health Insurance Rate Review Capacity and Process

MID does not currently “approve” rate increases on any type of accident and health policies other than Medicare Supplement policies and Long Term Care policies. MID does however review and “acknowledge and file” all rate increase requests for all other health insurance products. A company may not implement a premium rate revision without first submitting all required information regarding said increase to MID and receiving notification that MID has “Approved” or “Acknowledged and Filed” the rate increase request, depending on the type of policy.

MID Regulation 73-4 issued pursuant to Miss. Code Ann. § 83-9-5(7), together with MID Bulletin 94-1, establish the laws/regulations/bulletins for individual major medical coverage and policies issued in a group environment where underwriting is required. Regulation 73-4 requires initial rates and rate increase filings to be filed and reviewed prior to implementation. Any major medical rate increase must be “Acknowledged” by MID prior to implementation. Bulletin 94-1 clarifies the requirements applicable to rate increase filings and mandates that no rate increase in any year (including any increase due to age) exceed 25% except for special circumstances approved by the Commissioner. In addition, rate increase filings must be accompanied by Form RII 7/02 providing historical loss ratio and rate increase information, projected future experience, and a signed Actuarial Certification as to compliance with all Mississippi laws/regulations/bulletins.

Miss. Code Ann. §83-63-1, *et seq.*, covers rate filings for “true group” small group business (1-50 employees) and holds that the small group rates for any class of small group business may not exceed that for any other group business by 20%. Within a small group class of

business, rates may not vary from the index rate for those groups. A small group rate increase in any year may not exceed the sum of: (i) the index rate increase; (ii) a claims experience factor not greater than 15%; and (iii) any increase due to a change in coverage.

The only specific rate filing requirements applicable in MS with respect to “true group” large group business, is the filing of the RII 7/02 checklist on an informational basis.

In all instances, rates must be “actuarially determined”, not “excessive, inadequate, or discriminatory”, and must be accompanied by an actuarial certification as to the “appropriateness of the methodology, based on reasonable assumptions” in order to be “Acknowledged and Filed”. Should a rate increase request be determined actuarially justified and, in the case of individual policies and group policies that require underwriting, be below 25% then that increase will be “Acknowledged and Filed”. Should said request be greater than 25% then the company must request a hearing with the Commissioner to provide further justification. Following said hearing the Commissioner will decide whether to “Acknowledge and File”, “Disapprove”, or attempt to negotiate the rate increase request.

As stated above, MID reviews every rate increase request and must “Acknowledge and File” the request prior to it being implemented. Should an increase be implemented without first being reviewed and acknowledged by MID then the insurer is held responsible by MID and may be required to provide a rebate to its insured and/or pay a fine to MID for violation of law.

The following information should be provided each time a rate increase is requested in Mississippi:

- An actuarial memorandum prepared in accordance with the applicable Actuarial Standards of Practice;

- Explanation of the reason for the rate increase request and the percentage amount of the rate increase stated in Item 14 of the L&H Transmittal Document;
- A history of each of the prior rate increases that were filed with MID, including, the date each rate increase became effective and the percentage amount for each of the prior rate increases;
- The policy year and calendar year loss ratios expected at the time the original premiums for the policy year were developed;
- A side-by-side comparison of the expected loss ratios with the actual loss ratios, both on a policy year basis and calendar year basis;
- A statement that the rate increase request complies with the requirements of MID Bulletin 94-1 and MID Regulation 73-4;
- An endorsement or letter notifying the insured of the increase must be included and approved by MID;
- The date the policy was approved by MID; and
- If the company is offering a reduction in the amount of the rate increase in exchange for an increase in the deductible or coinsurance or a reduction in the benefits, provide a complete actuarial justification that the changes are actuarially equivalent.

Typically, a rate increase request is filed with MID via SERFF. Once filed, an MID Insurance Technician or Administrative Assistant verifies that all filing fees have been paid and that all required documents are attached to the filing. If all fees have been paid and all documents have been attached, then the filing is assigned to MID's consulting actuary, Actuarial Resources

Corporation of Georgia, for review. The rate increase request is then reviewed within 60 days of receipt by the actuary. If the actuary determines that the request complies with State law and MID regulation then he recommends that said rate increase be "Acknowledged & Filed". Should the actuary determine that the request does not comply with State law or MID regulation then he submits an objection outlining said noncompliance and suggests what must be done to bring the filing into compliance. The actuary's final recommendation is then considered by MID and a disposition for the filing of either "Acknowledged & Filed" or "Withdrawn" is submitted by a Senior Attorney, Life and Health Analyst or Project Officer for the Department.

The Life and Health Actuarial Division of MID currently consists of a Senior Attorney responsible for direct supervision of the division, communicating directly with the actuaries and making final determinations regarding the legality of filings; a Projects Officer IV responsible for reviewing forms for compliance and submitting approvals, acknowledgements, and objections recommended by the actuary; a Life and Health Analyst II responsible for reviewing forms for compliance and submitting approvals, acknowledgements, and objections recommended by the actuary; an Administrative Assistant VI responsible for the intake of all filings, verification that all filing requirements have been met and assigning filings to appropriate parties; and an Insurance Technician that primarily performs administrative and secretarial duties for the division. Currently the Life & Health Analyst II and the Insurance Technician positions remain unfilled.

Nearly 98% of all filings received by MID are filed via SERFF. Practically all of our filing review is done via SERFF and SERFF is currently attempting to develop the capacities that will allow the states to compile and report rate trend information to the Secretary as required and

outlined in the grant announcement. MID intends to assist SERFF with their development of these capacities and eventually contract with SERFF to provide MID with these capacities.

In addition to the capacities being developed by SERFF, it is important that MID develop its own systems internally to facilitate its review of rate increase requests in accordance with the Patient Protection and Affordable Care Act (hereinafter "PPACA") and regulations that are to be promulgated by the United States Department of Health and Human Services (hereinafter referred to as "HHS"). MID needs to update its current equipment in order to increase the speed of review and allow for more access to information so that rate review may be done by MID staff from virtually any place.

For FY2010, the Mississippi State Legislature appropriated MID a budget of \$10,994,044. As of May 31, 2010, MID revenues equaled \$16,652,250. Resources allocated for health insurance rate review consist of \$45,000 for contractual actuarial services and \$66,633 for the portion of MID staff salaries apportioned for their current activities associated with health insurance rate review.

A description of the educational and/or professional qualifications required by MID for staff responsible for health insurance rate review is as follows:

- Senior Attorney
 - o Membership in the Mississippi State Bar Association.
- Projects Officer IV
 - o A Master's Degree from an accredited four-year college or university and four (4) years experience in a related field; or a Bachelor's Degree from an accredited four-year college and five (5) years experience in a related field; or graduation from a standard four-year high school or equivalent (GED) and

nine years of experience in a related field with three (3) of those years being in supervision.

- Administrative Assistant VI

- o A Master's Degree from an accredited four-year college or university and three (3) years experience in a related field; or a Bachelor's Degree an accredited four-year college or university and four (4) years experience in a related field; or graduation from a standard four-year high school or equivalent (GED) and eight (8) years experience in a related field

- Life and Health Analyst

- o A Bachelor's Degree from an accredited four-year college or university and two (2) years experience in a related field; or graduation from a four-year high school or equivalent (GED) and six (6) years of experience in a related field.

- Insurance Technician

- o Graduation from a standard four-year high school or equivalent (GED) and four (4) years of experience in a related field.

MID's life and health actuarial services are provided by Actuarial Resources Corporation of Georgia (hereinafter "ARCGA"). MID's current contract with ARCGA states that ARCGA shall provide life and health actuarial services to MID in exchange for an hourly fee not to exceed \$200,000 in FY2011. Said Contract is open for amendment should it become necessary to increase the minimum amount of payment pledged by MID to ARCGA.

MID does not currently have the resources available to maintain an organized database of information on health insurance rate filings and is therefore unable to provide an accurate reporting of the total number of health insurance rate filings that are received for the individual

and group markets on an annual or monthly basis. In addition, MID does not maintain information regarding the average amount of time required to complete the review process.

Health insurance rate filings are currently publicly available in Mississippi but a request for the filing must first be made with MID who will provide the filing to the entity requesting it. There is often a fee associated with this service. Any information determined by MID to be proprietary will not be released publicly. There is currently no mechanism available at MID where a consumer may search health insurance rate and form filings. There is no web portal or listing on MID's website showing rate increase requests that have been "Acknowledged and Filed". There are not any specific State laws or MID regulations that require public access to health insurance rate filings.

Plain language summaries of rate changes are not prepared by MID for consumers.

Consumers are given 60 days notice by the insurer of any pending rate changes.

There are no official current processes in place for public meetings or hearings on health insurance rate filings.

MID does not have the resources to maintain separate records on consumer health insurance rate inquiries and complaints, therefore, this information cannot be provided.

No action has been taken by MID against any insurance company over the past two plan years regarding health insurance rates.

No formal hearings have been held by MID over the past two plan years regarding health insurance rates.

B) Proposed Rate Review Enhancements for Health Insurance

MID intends to use the subject grant award to assist it in completely overhauling its

existing rate review regulations, bulletins, standards, IT systems, internal protocols. Also, MID will attempt to pass legislation in order to bring it into full compliance with PPACA and the forthcoming rate review regulations that will be promulgated by the Secretary as required by PPACA. Unfortunately, until said regulations are promulgated, it is difficult to accurately develop a plan and budget for effectively accomplishing this overhaul. Therefore, at this time, it is necessary that MID's rate review plan be as broad and malleable as possible so that it may be amended in late 2010 or early 2011 to reflect the requirements set out in the aforementioned regulations. That said, there are certain measures that MID understands that it will need to take and these are set out below.

Should MID be awarded the grant, then within the first month, it will attempt to retain experts in the legal, actuarial, IT and health insurance fields as consultants to assist MID with the complete overhaul of its health insurance rate review process. Legal experts will be needed to explore PPACA and the subsequent regulations in order to advise MID as to what regulations it may consider adopting and assist MID in drafting legislation to present to the Mississippi State Legislature to bring Mississippi law into compliance with Federal law. Actuarial experts will be needed to advise MID on the actuarial aspects of the new rate review process and perform the actual review of rate increase requests. IT experts will be called upon to assess MID's current technical capabilities and advise as to what improvements may be made in order to efficiently compile rate review data, increase the speed at which rate increase requests may be processed, increase accessibility to rate filings, and provide a mechanism so that rate increase information may be disseminated to the public in an efficient and easy to understand manner. Experts in the field of health insurance will be retained by MID to first assess its current rate review processes and the new standards as set forth by PPACA and HHS regulation and propose models for new

processes and protocols to be established by MID to significantly enhance its current rate review process. These experts will also assist MID in its efforts to educate the public on health insurance rates and improve public access to rate increase information in an easy to understand manner.

Also in the first month of receipt of grant funds, MID staff within the Life and Health Actuarial division, currently working on rate review will need to increase the amount of their time dedicated to rate review by at least ¼.

The first few months after the grant is issued, and prior to regulations being issued by the Secretary, will primarily be spent assessing our current rate review system and determining what works and what does not work. Once the regulations are adopted, then MID's efforts in overhauling its rate review capabilities will be increased greatly. As soon as said regulations are issued, MID's first priority will be to study the regulations and attempt to draft and adopt regulations and bulletins of its own in order to bring its current rate review regulations and bulletins into compliance with federal law. MID will then prepare draft legislation on rate review to present to the Mississippi State Legislature that, if enacted, will bring Mississippi law into compliance with Federal law.

After the Secretary's regulations are issued then MID's health insurance and IT consultants will apply their assessments of MID's current rate review systems to the new regulations and develop an entirely new system of health insurance rate review for MID. This new system will need to be efficient, high speed, user friendly and data emanating there from must be easily cataloged and accessible.

Once a system for rate review is in place, MID will turn its attention toward the consumers of the state of Mississippi and their need to have access to health insurance rate information in a format that is understandable. MID must develop a portal on its website where

rate increase and rate increase request information may be posted and be accompanied by a detailed explanation of the justification for said rate increase if one is available. This portal should also contain common definitions and a general explanation of the law concerning health insurance rates and how health insurance rates are determined. This information must be presented in an easy to read and understand format so that all Mississippians may comprehend it.

Along these educational lines, MID must reach out to the numerous rural Mississippi residents that do not have access to the internet. This educational outreach program will involve the hard copy production of pamphlets and other documentation on health insurance rates and the organization of presentations to present to this very large population of Mississippians that have no other opportunity to obtain this information. This project will likely necessitate contracting with an individual or firm to prepare and actually present the above described presentations.

MID staff will need to travel to NAIC national meetings and other educational seminars in order to stay informed as to the latest developments in health insurance rate review and to learn innovative ideas from similarly situated States to help improve the rate review process at MID. MID staff will also need to travel about the State of Mississippi educating consumers and insurers as to new rate increase review standards and laws.

By September 30, 2011, MID aspires to develop the afore described programs; significantly overhaul and develop its existing rate review structure; promulgate and adopt regulations and bulletins to enhance its current rate review structure and requirements; and draft and ultimately present legislation to the Mississippi State Legislature to bring Mississippi law into compliance with PPACA and Federal regulation. The above proposed enhancements have been intentionally presented in a broad fashion so that they may be amended and fine tuned as we receive more information on new health insurance rate review standards. Grant funds will be

used to effectuate these enhancements only in compliance with the rules attached to the Grants to States for Health Insurance Premium Review-Cycle I.

C) Reporting to the Secretary on Rate Increase Patterns

MID attests that it will comply with the reporting requirements outlined in the statute and as described in Section A.1(c)(1) and A.1(c)(2) on pages 15, 16 and 17 of Grants to States for Health Insurance Premium Review-Cycle I. SERRF will be utilized as the mechanism to provide this service for the MID. Additional staff training will be needed from SERRF in order to meet these requirements.

D) Optional Data Center Funding

MID is interested in the possibility of creating a Data Center in the future but does not foresee having the resources needed to implement a Data Center prior to September 30, 2011, therefore, it does not plan to use any Cycle I grant funds to establish said Data Center.

Basic Work Plan

1. Estimated date of established funding agreement with State:

08/09/2010

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: Complete Overhaul of Rate Review System,

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

c. How long will this task take to complete? 12 months

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

Please see attached MID_Premium Review Grant Application.pdf and 3 Objective Work Plans.

Objective Work Plan

Project

Premium Review Grant

* Year: * Funding Agency Goal:

1 Identify enhancements and begin rate review revision efforts

*** Objective:**

Assessment of current rate review system and identification of required enhancements

*** Results or Benefits Expected:**

Rate review system enhancements will be in progress.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Retain expert Consultants in legal, actuarial, health insurance, and information technology fields	Project Director	08/30/2010	09/30/2011	0
MID Life and Actuarial staff increases time allocation	Project Director	08/30/2010	09/30/2011	0
Assessment of current rate review system	Project Director, Legal, Actuarial, and Health Insurance Consultants	08/30/2010	09/30/2011	0
Begin Rate Revision and enhancement of rate review efforts after receipt of Federal regulations	Project Director	10/15/2010	01/31/2011	0

Objective Work Plan

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

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

Enhancements identified.

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	MID_Objective Work Plan_2.pdf	Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2	MID_Objective Work Plan_3.pdf	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

Objective Work Plan

Project: *

* Year: * Funding Agency Goal:

1	New rate review legislation enacted in 2011
---	---

* Objective:

Mississippi's rate review system will be in compliance with Federal law.

* Results or Benefits Expected:

Legislation passed and Mississippi is compliant with Federal law.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Draft and adopt new rate review regulations and bulletins in compliance with PPACA and Federal law	Project Director, Legal Consultants	10/15/2010	03/31/2011	0
Prepare draft legislation and present to MS State Legislature to reflect compliance with Federal law	Project Director, Legal Consultants	10/15/2010	03/31/2011	0
Educate state legislators on draft legislation to bring Mississippi law into compliance with Federal law	Project Director, MID Staff	01/01/2011	04/01/2011	0

Objective Work Plan

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

* Criteria for Evaluating Results or Benefits Expected:
Legislation passed.

Objective Work Plan

Project:

* Year: * Funding Agency Goal:

1	Develop new rate review system and consumers educated on new standards and laws
---	---

* Objective:

Mississippi's rate review system will be enhanced and compliant with Federal law

* Results or Benefits Expected:

MID operates new rate review system and consumers educated on new rate review standards and laws.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Develop new health insurance rate review system based on consultants' assessments of the current system to the new regulations	Project Director, Legal, Insurance, Actuarial Consultants	10/15/2010	04/30/2011	0
Develop web-portal on current MID web site for public access to rate increase information and justifications	Project Director, IT Consultants	04/15/2011	09/30/2011	0
Travel to National Conferences and In-state for outreach efforts	Project Director, MID Staff	08/15/2010	09/30/2011	0
Educational outreach program implementation	Project Director, MID staff	04/15/2011	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:**

Enhancements completed and new rate review system is in place.

Budget Narrative File(s)

* Mandatory Budget Narrative Filename:

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

MID BUDGET NARRATIVE

The proposed budget includes \$100,000 in Personnel Costs for additional staff salaries plus fringe benefits to administer the grant. It is estimated that \$200,000 will be needed for contracts with attorneys to provide additional legal assistance to revise the current rating structure in order to become compliant with the new HHS regulations. Said attorneys will assist MID in drafting the necessary legislation to present to the MS State Legislature in order to bring the state law in compliance with Federal law.

Further, additional contracts for health insurance consultants in the amount of \$200,000 are needed to obtain expertise to assist in the enhancement of the current rate review process and to ensure compliance with HHS guidelines and regulations. These consultants will propose models for new processes to enhance the current rate review process. Additional actuarial consultant services are needed to provide guidance on actuarial aspects of PPACA and Federal regulation and to review the new rate filings. The amount allocated for this expansion is \$180,000.

It is estimated that \$100,000 will be needed for IT consultants to determine upgrades and expansions of MID's current Information Technology infrastructure to effectively implement the new rate review structure and to provide the required reports to HHS. Improvement in the IT systems internally will facilitate the review of rate increase requests and will provide for more robust reporting requirements, data exchange, and rate analysis. Enhancement and expansion to the current agency web portal is planned to include the rate increase review information. This expansion is estimated to cost \$100,000. This will provide the public with effective and efficient access to rate increase information.

The \$ 25,000 for updated equipment is included to facilitate and expand the staff's access to the rate information and allow for more access to the information from virtually anywhere, as well as the need for additional basic office supplies. An amount of \$25,000 has been allocated to support the System for Electronic Rate and Form Filing (SERFF) to provide a data collection and reporting mechanism as required by HHS.

The amount budgeted for Travel is \$20,000. This amount is for staff to attend NAIC national meetings and other educational seminars in order to stay informed as to the latest developments in health insurance rate review and to learn innovative ideas from other States to improve the rate review process at MID. MID staff will also travel around the State of Mississippi educating consumers and insurers as to the new rate increase review standards and laws.

Educational Outreach is essential to enhance transparency in the rate filing process. The amount budgeted for the proposed activities in the "Other" category is \$50,000.

There are no Indirect Costs included in the grant application and no grant funds will be used to reimburse any pre-award costs associated with preparing this grant application.

The Mississippi Department of Insurance acknowledges the prohibited Uses of Grant Funds outlined in the Grant Application Package.

The required Budget Form 424A, with all quarters of the budget, is included in the grant application.

Key Contacts Form

*** Applicant Organization Name:**

Mississippi Department of Insurance

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

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

Prefix: Mr.

* First Name: Aaron

Middle Name:

* Last Name: Sisk

Suffix:

Title: Senior Staff Attorney

Organizational Affiliation:

MS Insurance Department

* Street1: 501 North West Street, Suite 1001

Street2: Woolfolk Building

* City: Jackson

County: Hinds

* State: MS: Mississippi

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 39201

* Telephone Number: 601-359-3569

Fax: 601-359-2474

* Email: aaron.sisk@mid.state.ms.us

Delete Entry

Next Person

Key Contacts Form

* Applicant Organization Name:

Mississippi Department of Insurance

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

* Contact 2 Project Role: Grant Financial Officer

Prefix: Ms.

* First Name: Nancy

Middle Name:

* Last Name: Stuart

Suffix:

Title: Accounting & Finance Director

Organizational Affiliation:

Mississippi Insurance Department

* Street1: 501 North West Street, Suite 1001

Street2: Woolfolk Building

* City: Jackson

County: Hinds

* State: MS: Mississippi

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 39201-1008

* Telephone Number: 602-359-3569

Fax:

* Email: nancy.stuart@mid.state.ms.us

Delete Entry

Previous Person

Next Person

REQUIRED ATTACHMENT

MISSISSIPPI INSURANCE DEPARTMENT

GRANT JOB DESCRIPTIONS

MID plans to dedicate a percentage of existing staff time for the following two members to manage and oversee the proposed grant activities:

GRANT PROJECT DIRECTOR

The Grant Project Director is a Senior Attorney responsible for handling MID legal matters including cases concerning federal and state regulations, state leases and contracts, implementing state procedures, and administrating federal/state grants. He serves as an advocate for the state and represents the state in legal proceedings.

The Project Director will serve as Mississippi's contact person for the grant and will be responsible for achieving the project's goals and objectives. He will oversee the proposed enhancement activities and ensure that they are in compliance with the grant requirements and that the time line is followed. He will devote 50% of staff time for the grant project and 50% of time on duties outside the grant activities.

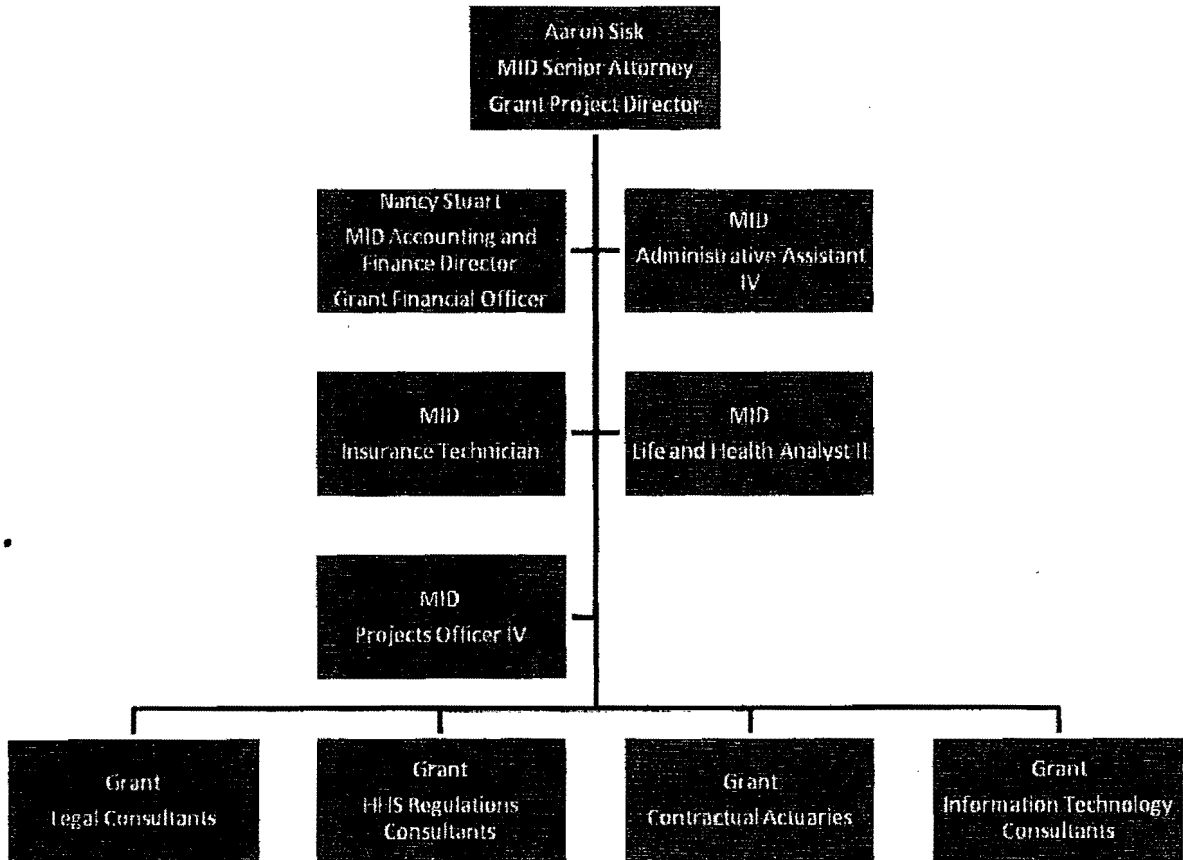
GRANT FINANCIAL OFFICER

The Financial Officer is an Accounting and Finance Director responsible for the MID fiscal, accounting, and business service functions. She develops and maintains financial records, reports, statements, and required fiscal reports for federal, state, and local authorities.

The Financial Officer will serve as Mississippi's contact person for the grant's fiscal responsibilities. She will oversee and manage the grant funds, prepare the required Financial Status Reports (SF-269a) and the Federal Cash Transactions Report (PSC 272), in addition to any other required financial reports. She will devote 50% of staff time for the grant project and 50% of time on duties outside the grant activities.

Currently there are two State Contractual Actuaries and plans to hire additional actuaries have been detailed in the proposed budget narrative.

- The following Organizational Chart depicts the staffing structure for the MID grant project:



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

Attachment 5a

MS DOI Filing Rules

Examples of rate increase
reductions, denials, or refunds

The Mississippi Insurance Department (MID) does not approve rate increases on any type of accident and health policies other than Medicare Supplement policies and Long Term Care policies. MID only acknowledges and files rate increases on all other types of policies. In the notification of a rate increase to the insured, please do not state that MID approved the rate increase unless the rate increase was for a Medicare Supplement policy or a Long Term Care policy. The term "policy" also includes certificates issued under a group master policy. Please note a Company may not implement a rate increase on any type of policy and/or certificate until the Company has provided all of the information requested herein and has received proper notification from the MID that it has either "Approved" or "Acknowledged and Filed" the rate increase request, depending upon the type of policy. The insured must be given at least 60 days prior notice before any rate increase can be implemented.

A rate increase is subject to Regulation 73-4 and Bulletin 94-1. Regulation 73-4 requires a Company implement a rate increase by means of an approved endorsement to be sent to the insured for attachment to the policy. Bulletin 94-1 requires that rate increases be limited to 25% in any one-policy year, unless the procedures developed by MID to implement a rate increase greater than 25% are followed. Please note that all trust and association rate increase filings are subject to Regulation 73-4 and Bulletin 94-1.

The following information should be provided each time a rate increase is requested:

- An actuarial memorandum prepared in accordance with the applicable Actuarial Standards of Practice.
- Explanation of the reason for the rate increase and the percentage amount of the rate increase stated in Item 14 of the L&H Transmittal Document.
- A history of each of the prior rate increases that were filed with the MID. The history should include the date each of the prior rate increases was effective and the percentage amount of each of the prior rate increases.
- The policy year and calendar year loss ratios expected at the time the original premiums for the policy year were developed.
- A side-by-side comparison of the expected loss ratios with the actual loss ratios, both on a policy year basis and a calendar year basis.
- A statement that the rate increases comply with the requirements of Bulletin 94-1 and Regulation 73-4. A copy of the endorsement required by Regulation 73-4 should accompany each request for a rate increase. Regulation 73-4 requires that an endorsement be sent to each insured each time a rate increase is implemented. The company may use a letter to notify the insured of a rate increase, but the letter must have a form number and must be filed with MID for approval. Once MID has approved the amendment (or letter to be used as an amendment), the L&H Transmittal Document requesting each rate increase from then on must state that the amendment has been approved by the MID and state the date it was approved.
- The date the policy was approved by MID.
- If the Company is offering a reduction in the amount of the rate increase in exchange for an increase in the deductible or coinsurance or a reduction in benefits, provide a complete actuarial justification that the changes are actuarially equivalent, i.e., the dollar amount of rate increase reduction is actuarially equivalent to the change in benefits.



Enrico Rizzo
Individual Actuarial REIM
Aetna Inc.
151 Farmington Ave.
Hartford, CT 06156
(860) 273-4987 (phone)
(860) 754-9151 (fax)
RizzoE@aetna.com

August 21, 2008

Mr. Aaron Sisk
Mississippi Insurance Department
PO Box 79
Jackson, MS 39205

Re: Aetna Life Insurance Company, NAIC No. 00160054
SERFF Tracking Number: AETN-125715325
Filing #MS-2009-01
Form GR-11741 - Comprehensive and Limited Medical Expense PPO Policies

Dear Mr. Sisk,

The purpose of this letter is to provide a response to your Objection Letter dated August 12, 2008.

Below is a restatement of your comments followed by our response:

- 1) The company is requesting various increases ranging from 4.8% to 15% increases for this filing. We recommend that the company be willing to accept a 10% rate increase limitation for these forms as a balance between reasonable corporate objectives and product affordability, especially in light of the fact that the experience on these forms has been minimal but has shown an incurred loss ratio of only 14.9%.*

As noted in our actuarial memorandum, we are requesting an aggregate rate increase of approximately 13.9%. The proposed rate increase varies by product, but in general, is in the amount of our medical trend assumption. As the individual block of business is not credible, our trend assumption of 15% is based on our Small Group experience and filed trend assumption in Mississippi.

While we understand the MS Insurance Department's ("Department") position regarding a reduced rate increase which is uniformly applied to all products, we request that the Department reconsider our initial proposal.

Individuals are medically underwritten at the time their policy is issued. The underwriting determination made at policy issue remains until the policyholder cancels their policy - we do not re-underwrite or rate-up as a person's medical condition changes. At early policy durations the experience is expected to have a lower loss ratio; as a policy ages it is expected that the loss ratio will rise. We price to a long-term lifetime loss ratio. The expected loss ratio is below the lifetime loss ratio at early duration and above at later durations. In order to avoid larger rate increases in the future stemming from greater than expected deterioration, it becomes necessary to increase prices by at least trend to remain on target with our MBR (medical benefits ratio) by duration curve.

- 2) *An actuarial certification as to compliance with Bulletin 94-1 and Regulation 73-3 should be provided as part of a revised actuarial memorandum*

Enclosed is an updated actuarial certification which specifically references the noted bulletin and regulation.

- 3) *Please provide a copy of the approved endorsement for rate change per MS Reg. 73-4.*

Please provide clarification regarding the requested information. We were unable to find an applicable endorsement form on the Department's internet page. Our Product & Regulatory Affairs Department is also unaware of the requested form; however, they indicated that the approved Form GR-117-11 includes the following language:

"Rates may change by class at any renewal date the table of premiums for policies of this form. In the event of any changes in premium, payment of the premium by the Policyholder shall serve as notice of the Policyholder's acceptance of such changes."

Please contact me if you would like to further discuss these items or if you have any additional questions.

Very truly yours,


Enrico Rizzo
Individual Markets Actuarial

Encl: us

Aetna

Enrico Rizzo
Individual Actuarial, RFLM
Aetna Inc.
151 Farmington Ave.
Hartford, CT 06156
(860) 273-4987 (phone)
(860) 734-9131 (fax)
RizzoE@aetna.com

September 19, 2008

Mr. Aaron Sisk
Mississippi Insurance Department
PO Box 79
Jackson, MS 39205

Re: Aetna Life Insurance Company, NAIC No. 00160054
SIRFF Tracking Number: AETN-125715325
Filing #MS-2009-01
Form OR-11741 - Comprehensive and Limited Medical Expense PPO Policies

Dear Mr. Sisk,

The purpose of this letter is to provide a response to your Objection Letter dated September 17, 2008. The letter requested that we provide a copy of the endorsement for rate changes per MS Reg. 73-4.

In your letter you stated, "If no such form exists, it should be created by the company and submitted for approval as soon as possible." Enclosed is a copy of the requested endorsement form. As this form has not previously been submitted to the Mississippi Insurance Department, we are requesting approval of the attached form, as well as acceptance of this form as fulfilling the requirements necessary for the above-mentioned rate filing.

Please contact me if you would like to further discuss these items or if you have any additional questions.

Very truly yours,


Enrico Rizzo
Individual Markets Actuarial

Encl: a's

Aetna Life Insurance Company

Hartford, Connecticut 06156

Policy Rider

Effective Date: This Policy Rider is effective on the later of:

[January 1, 20XX]; or

The date you become covered under this policy.

This Policy Rider adds the following provision.

Changes in Premium

Aetna may change by class at any renewal date the table of premiums for policies of this form.

In no event will Aetna place any change of rate or any other change in a policy form into effect until written notice is provided to the policyholder at least sixty (60) days prior to the effective date of the increase. Notice of the rate increase may be sent by U.S. mail or electronically where the policyholder conducts transactions with the insurance company electronically.

1

President

Aetna Life Insurance Company
(A Stock Company)

Rider: [1]

Issue Date [11/01/08]

Disposition for AETN-125715325

SERFF Tracking Number: AETN-125715325 **State:** Mississippi
Filing Company: Aetna Life Insurance Company **State Tracking Number:**
Company Tracking Number: MS-2009-01
TOI: H161 Individual Health - Major Medical **Sub-YOI:** H161.005A Individual - Preferred Provider (PPC)
Product Name: Individual Medical
Project Name:
Disposition Date: 10/01/2008
Implementation Date:
Status: Approved
Comments:
Add Rate Date? No

Item Type	Item Name	Schedule Dates	Item Status	Public Access
Supporting Document	L&H Filing Fees		Approved	No
Supporting Document	L&H Actuarial Memorandum		Approved	No
Supporting Document	Rate Increase Information Sheet for Health & Accident		Approved	No
Supporting Document	MS-2009-01		Approved	No
Supporting Document	Endorsement Form		Approved	No

**Objection Letter for ASWX-
125838583**

SERFF Tracking Number:	ASWX-125838583	State:	Mississippi
Filing Company:	John Aiden Life Insurance Company	State Tracking Number:	
Company Tracking Number:	IHMS00815JAR01		
TOI:	H161 Individual Health - Major Medical	Sub-TOI:	H161.005A Individual - Preferred Provider (PPG)
Product Name:	John Aiden-Base Chassis		
Project Name:	John Aiden-Base Chassis		
Objection Letter Status:	30 Day Limit to Respond from Date of Receipt		
Objection Letter Date:	12/09/2008		
Respond By Date:			
Submitted Date:	12/09/2008 04:49 PM		

Dear Ashley Baranowski,

Introduction: The company is requesting a 20.7% (on average, not including attained age increases) rate increase for this filing. We recommend that the company be willing to reduce the increase by a constant percentage for each policy such that a 15.7% rate increase (on average, not including attained age increases) was implemented for these forms as a balance between reasonable corporate objectives and product affordability, especially in light of the fact that the current experience loss ratio (based on 2007/06-2008/05 experience) is only 44.8% in MS per data included in the submission, albeit not based fully credible experience. This rate reduction would have a minimal financial impact on the overall profitability for this block as whole.

Conclusion:

Sincerely, Aaron Slak



ASSURANT

501 West Michigan
PO Box 3050
Milwaukee, WI 53201-3050
T 800.800.1212
F 414.299.8043

December 23, 2008

www.assurant.com

Mr. John MacBain

Mississippi Insurance Department
P.O. Box 79
Jackson, MS 39205

Re: Individual Major Medical Rate Filing, Form JIM;
dated September 30, 2008; SERFF Filing ID: ASWX-
125838583

Dear Mr. MacBain,

This letter is in response to your review and suggestion of the above filing. Your favorable consideration of our requested 20.7% renewal increases will be highly appreciated for the following reasons:

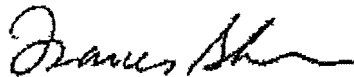
- 1) The 44.8% loss ratio in MS from the experience period is composed of policies that had an average duration of 8.8 months. The individual medical business has a distinct pattern of increasing loss ratios by duration. The lifetime loss ratio is expected to be over 60% when the loss ratio is at 42% in year one.
- 2) Based on the experience projection we provided, to maintain an Actual to Expected of 1 (that is, to maintain our priced-for lifetime ratio of 60%+), we would need a 21.4% increase. Our requested increase is slightly less at 20.7%. The suggested 15.7% increase will lead to higher loss ratio and higher needed renewal increase next year. Please note that the lifetime pricing method is to produce a stabilized pattern of renewal increase throughout the years, which will benefit the policyholders.
- 3) At renewal time, we provide alternative benefit options, such as different deductible and coinsurance levels, to help policyholders maintain affordable health care coverage. We have also added new networks in this filing to give policyholders more choices and help reduce their costs.

Assurant Health markets products underwritten by Time Insurance Company, Union Security Insurance Company and John Alden Life Insurance Company.

Page 2

Thank you very much for reviewing this. Should you have any questions or concerns, please let us know and we would be more than happy to address them.

Sincerely,



Frances Shen, FSA, MAAA

Sr. Associate Actuary - Individual Medical

Frances.Shen@assurant.com

Tel: (414) 299-8049

Fax: (414) 299-8043

Disposition for ASWX-125838583

SERFF Tracking Number: ASWX-125838583 **State:** Mississippi
Filing Company: John Alden Life Insurance Company **State Tracking Number:**
Company Tracking Number: HIMS008153AR01
TOI: H161 Individual Health - Major Medical **Sub-TOI:** H163.005A Individual - Preferred Provider (PRO)
Product Name: John Alden-Base Chassis
Project Name: John Alden-Base Chassis

Disposition Date: 01/05/2009
Implementation Date:
Status: Approved

Comments:
Add Rate Data? Yes

Company Name	Company Rate Information						
	Overall % Indicated Change	Overall % Rate Increase	Written Premium Change for this Program	# of Policy Holders Affected for this Program	Written Premium for this Program	Maximum % Change (where required)	Minimum % Change (where required)
John Alden Life Insurance Company	20.700 %	20.700 %	\$ 158193	193	\$ 764210	21.400 %	7.800 %

Item Type	Item Name	Item Status	Public Access
Supporting Document	See rate schedule for rates.	Approved	No
Supporting Document	L&R Filing Fees	Approved	No
Supporting Document	L&R Actuarial Memorandum	Approved	No
Supporting Document	Rate Increase Information Sheet for Health & Accident	Approved	No
Supporting Document	Cover Letter, Endorsement, Projection	Approved	No
Supporting Document	Revised Cover Letter, Revised Fee Form	Approved	No
Supporting Document	Response to Objection 2	Approved	No
Rate	Rates	Approved	No

Humana
P.O. Box 1633
Waukesha, WI 53187-1633

Humana

October 1, 2008

Mississippi Department of Insurance
501 N. West Street
1001 Woolfork Building
Jackson, MS 39201

RE: **INDIVIDUAL HEALTH INSURANCE PREMIUM RATE FILING
HUMANA INSURANCE COMPANY - #119-73288
POLICY SERIES: GN-70129 et. al.**

Dear Sir or Madam:

This letter is in response to your letter dated September 30, 2008, regarding the rate filing submitted September 24, 2008, for a January 1, 2009 effective date. In your objection letter there are two items that require a response. The original items have been listed for your convenience and will be addressed in the same order as they were asked.

- 1. The company is requesting a 13.5% base rate increase for this filing. We recommend that the company be willing to accept a 7% base rate increase for these forms as a balance between reasonable corporate objectives and product affordability, especially in light of the fact that the Experience Period loss ratio (based on 5/2007-4/2008 experience) is only 58.5% per data included in the submission.*

A statewide base rate increase of +12.0% on January 1, 2009, was acknowledged on October 9, 2007, in a previous filing. This rate filing serves to request a +13.5% statewide base rate increase instead of the +12.0% rate change we currently have in place for January, as well as to request some additional rate changes by area and benefit, as detailed in the rate filing cover letter.

Regarding the historical loss ratios we've provided, this individual Major Medical product is fully underwritten. The effect over time from the "wearing off" of underwriting produces a strongly increasing claims cost curve. The rating approach that we use, however, is more on a lifetime basis. Though we do utilize durational rating factors, the slope of the factors is nowhere near as steep as the slope of the claims curve. What this all means is that we expect to have lower loss ratios in early duration experience, and relatively higher loss ratios in later duration experience. To help interpret our historical experience, I have added additional figures in the amended attachment Exhibit A: Historical Loss Ratio Experience. Both Nationwide and Mississippi experience sheets now include average policy durations, and expected loss ratios appropriate for those average durations. You can see that the historical incurred loss ratios have been higher than expected.

At this time, we are comfortable withdrawing our request for a +13.5% statewide rate increase, and reverting back to the +12.0% statewide rate increase already in place for January 1, 2009.

- 2. In addition, please have the company eliminate the minimum renewal rate increase of 12% for which there appears no justification.*

We withdraw our request for a minimum renewal rate increase of 12%. The minimum renewal rate increase will be 0% beginning January 1, 2009.

HUMANA
Caring for what you need to live

Once all questions are satisfied and final acknowledgement is received, I will send revised rate sheets corrected to show the final rates.

If you have any questions regarding this filing, please contact me by phone at 262-951-2681 or by email at cnelsen@humana.com.

Respectfully,

Colleen Nielsen
Actuarial Analyst, HumanaOne

Enclosures:

Exhibit A: Historical Loss Ratio Experience

Humana
P.O. Box 1633
Waukesha, WI 53187-1633

Humana

October 6, 2008

Mississippi Department of Insurance
501 N. West Street
1001 Woodfork Building
Jackson, MS 39201

RE: INDIVIDUAL HEALTH INSURANCE PREMIUM RATE FILING
HUMANA INSURANCE COMPANY - #119-73288
POLICY SERIES: GN-70129 et. al

Dear Sir or Madam:

We have amended our January 1, 2009 effective date rate filing sheets to reflect the approved +12.0% statewide base rate increase, and the approved 0% minimum renewal rate increase beginning January 1, 2009. For your records, I am including a full set of revised rate sheets corrected to show the final rates.

If you have any questions, please contact me by phone at 262-951-2681 or by email at cmnelsen@humana.com

Respectfully,



Colleen Nielsen
Actuarial Analyst, HumanaOne

Enclosures

Rate Sheets

HUMANA
The Humana Way

Objection Letter for USHG-125653141

SERFF Tracking Number:	USHG-125653141	State:	Mississippi
Filing Company:	National Foundation Life Insurance Company	State Tracking Number:	
Company Tracking Number:			
TOI:	H161 Individual Health - Major Medical	Sub-TOI:	H161.005C Individual - Other
Product Name:	NFL Major Medical 2008		
Project Name:	Major Medical 2008		

Objection Letter Status 30 Day Limit to Respond from Date of Receipt

Objection Letter Date 08/11/2008

Respond By Date

Submitted Date 08/11/2008 04:08 PM

Dear Cecelia Marshall,

Introduction: With respect to the above referenced filing we have the following comments:

1) The company is requesting a 20% increase for this filing. We recommend that the company be willing to accept an 15% rate increase for these forms as a balance between reasonable corporate objectives and product affordability, especially in light of the fact that the projected lifetime experience loss ratio would remain virtually unchanged (under 70%) with this suggested increase and the MS only 2007 experience loss ratio was only 56%, albeit not fully credible.

2) An actuarial certification as to compliance with Bulletin 94-1 and Regulation 73-4 should be provided as part of a revised actuarial memorandum.

Conclusion:

Sincerely, Aaron Sisk

Response Letter for USHG-

125653141

SERFF Tracking Number: USHG-125653141 State: Mississippi
 Filing Company: National Foundation Life Insurance Company State Tracking Number:
 Company Tracking Number:
 TOI: H161 Individual Health - Major Medical Sub-TOI: H161.005C Individual - Other
 Product Name: NFL Major Medical 2008
 Project Name: Major Medical 2008

Status: Submitted to State
 Submitted Date: 08/14/2008 09:26 AM

Dear John MacBain,

Introduction:

Response 1:

Comments:
 Dear Aaron Sink:

We received your objection letter dated August 11, 2008. We accept the 15% rate increase you proposed and have attached the appropriate revised documents.

We have also included in the Actuarial Memorandum a statement that the rate change complies with the requirements of MS Bulletin 94-1 and Regulation 73-4. Also, I have attached our approved rate change notification letter 3536-R1E and 3536-R1S which comply with Regulation 73-4.

Your continue review of this filing is appreciated. Should you have any questions, or need any additional information please contact me.

Sincerely,

Cecelia Marshall
 Actuarial Tech
 817-878-3745

Changed Items:

No Form Schedule Items changed.

Rate Schedule Item Changes

Document Name	State Form Number: (Separate publications)	Rate Action	Rate Action Information	Attach Document:	Submitted
2008 Major Medical	NFLS-92, SSG-91, AGMM1, MMB6, MMB3, NMTS, MMS5, HSG-91, LMGMM1, LMS88, MM79, G-151, MSE-87	Revised	Previous State USHG-Filing Number: 125162580 Percent Rate Change Request: 20 %	<input type="checkbox"/> Rates - G151 MMS5 MM79 15%.pdf <input checked="" type="checkbox"/> Rates - HSG-91 LMS88 LMGMM1 15%.pdf <input checked="" type="checkbox"/> Rates - MMB6 and AGMM1 15%.pdf <input checked="" type="checkbox"/> Rates - MSE-87 NMTS MMB3 15%.pdf <input checked="" type="checkbox"/> Rates - NFLS-95 and SSG-91 15%.pdf	Date Submitted: 08/14/2008 By: Cecelia Marshall
		Previous Version	Previous State USHG-Filing Number: 125162580	<input checked="" type="checkbox"/> Rates - Form MMB6.pdf	Date Submitted: 05/22/2008

Attachment 5b

Bulletin 94-1
MS Regulation 73-4



STATE OF MISSISSIPPI
Mississippi Insurance Department

GEORGE DALE
Commissioner of Insurance
Gate Five Marshal

CHARLES J. WEEKS
Deputy Commissioner

1604 Water Sellers Building (28201)
Post Office Box 79
Jackson, Mississippi 39205-0079
(601) 359-3568

HEALTH INSURANCE RATE INCREASES

BULLETIN 94-1

It has been brought to the attention of the Mississippi Department of Insurance that some insurance companies selling health insurance in the State of Mississippi are potentially in violation of Mississippi's Unfair Trade Practices Act and Miss. Code Ann. §83-9-303 (Rev. 1991) and Regulation 73-4. The forementioned activities include but are not limited to the following:

1. Implementing rate increases in excess of 25 percent (25%);
2. Implementing rate increases without filing for information purposes with the Mississippi Department of Insurance;
3. Implementing rate increases in a discriminatory manner by charging different rates for individuals in substantially the same class with substantially similar policies.

Due to the forementioned problems the Honorable George Dale, Commissioner of Insurance of the State of Mississippi, believes that it would be in the best interest of the public and the State of Mississippi to publish a bulletin to put all health insurance companies on notice as to what the current and existing laws of the State of Mississippi are and what companies must do to be in compliance.

The Mississippi Department of Insurance is currently limiting annual rate increases to no more than 25 percent (25%). The 25 percent (25%) annual limitation must include changes from all sources, which would include experience and trend, attained age premium increases and cost area changes. Thus, a combination of increases arising from all sources may not exceed 25 percent (25%) in any policy year for any insured.

In addition, the Mississippi Department of Insurance also requires that rate filings on closed blocks of business include loss experience on: (1) all forms which replaced the closed blocks in

the marketplace; and (2) all forms which provide for substantially similar coverage and provisions, which are issued to substantially similar risk classes and which are issued under substantially similar underwriting standards.

The Department of Insurance has interpreted that all forms of each of the following types must be grouped or aggregated for rate increase purposes and that group policies and individual policies must be kept separate:

1. Hospital Indemnity
2. Cancer and Specified Disease
3. Intensive Care
4. Major Medical and Comprehensive Medical
5. Disability Income
6. Medicare Supplement

If an insurance company feels that a rate increase of more than 25 percent (25%) is justified, they should prepare to contact the Commissioner of Insurance for a public hearing. In reviewing the rate increase, the Commissioner will take into consideration the solvency of the company, the sale of new business within the State of Mississippi and the payment of stockholder dividends by the company. The insurance company should also be prepared to discuss why it is not discrimination to charge individuals of the same class and of essentially the same hazard different premium rates and be able to discuss as to why the rate increase would be in the best interest of the policyholders in the State of Mississippi.

Any filing of a new form must include a list of all the old forms which the new form is replacing as well as a listing of all forms which were issued in the past on the same or similar type of business. Current experience ratios on replaced and/or similar forms should be included in the actuarial memorandum which justifies the rates for the new form. The Mississippi Department of Insurance requires as part of the actuarial memorandum for a rate increase that the nationwide earned premiums be recomputed assuming the rate increase requested in Mississippi had been used nationwide. The actuarial memorandum should be prepared in accordance with the Actuarial Standards of Practice.

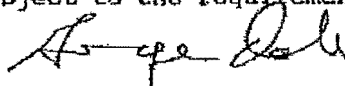
The Mississippi Department of Insurance requires that all premiums for all plans of insurance, group or individual, be filed for informational purposes with the Department prior to use. Furthermore, the Department of Insurance requires that rate increases for all plans of health insurance, except for true group, be filed with this Department prior to use.

Under Mississippi law premium rates may be changed only by an endorsement which should contain at least the following: policy number, effective date, and the amount and mode of the new premium. The forementioned endorsement must also have a form number and be executed by an officer of the company. Prior to using the said

- endorsement it must be filed and approved by the Mississippi Department of Insurance.

Under existing laws of the State of Mississippi policy fees on health insurance are restricted to \$6.00 or less and in no event shall the policy fee exceed the premium collected with the initial sale. The policy fee and the normal insurance premium are the only fees which may be collected by the agent with the application. Any reference to other fees such as membership, administration, dues, set-up fees, etc., are not allowed on the application and must be collected separate from the application. As previously mentioned, the insurance agent should not collect those other types of fees.

These requirements apply to all individual forms and all group forms, except true group forms. If the group certificate is issued and underwritten on an individual basis; i.e., health questions are asked of each insured; the group is subject to the requirements of this bulletin.



George Dale
COMMISSIONER OF INSURANCE

Regulation LA&H 73-4, as Amended

ACCIDENT AND SICKNESS INSURANCE POLICIES, RATES
AND OTHER ENDORSEMENT FILINGS

Whereas, Section 83-9-5(7), Mississippi Code of 1972, Annotated, provides that the Commissioner of Insurance may make reasonable rules and regulations concerning the procedure for the filing or submission of accident and sickness insurance policies; and

Whereas, there seems to have been some misunderstanding in the past as to the requirements of such filings;

It is, therefore, ordered this date that every insurance company, either foreign or domestic, authorized to do accident and sickness business in the State of Mississippi shall, before any policy is issued, file a copy of such policy, accompanied by a rate book or a rate sheet applicable to such policy. In case of any change, including a change of premium rate on any accident and sickness policy, such rate shall be filed with the Department of Insurance, together with information indicating to what policy same is applicable, the date such change in premium rate will be applicable, and all other information relevant to such change in rate. No premium or rate of premium shall be changed by any company, applicable to any accident and sickness policy until such change has been made in the manner herein provided and acknowledgment of such filing made by the Department of Insurance.

No insurance company shall ever, under any circumstances, attempt to place any change of rate or any other change in a policy form into effect except after such change has been filed in this office and acknowledged, and where required by law, approved. In particular, any notice to an insured that a change in policy is being made, either a rate or other change, is prohibited except after filing of such change, acknowledgment thereof, and where required by law, approval. Any change as to a policy already issued may be effected only by endorsement attached to and made a part of such policy.

Additionally, no rate increase shall be implemented by any insurance company applicable to any accident and sickness policy unless written notice is provided to the policyholder at least sixty (60) days prior to the effective date of the increase. Notice of the rate increase may be sent by U.S. mail or electronically where the policyholder conducts transactions with the insurance company electronically.

Every policy or other filing provided for under these rules shall be accompanied by a cover letter, in duplicate, setting out the number and a brief description of such form.

All policy filings must comply with all provisions of the law of this State applicable thereto and this and all other rules of this office pertaining thereto. Nothing herein shall be interpreted as rescinding any other rule and regulation, but these rules are to be interpreted as cumulative to the requirements of any other rules pertaining to the subject matter hereof.

This Regulation shall become effective thirty (30) days after filing with the Office of the Secretary of State of the State of Mississippi.