

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
The Connecticut Health Insurance Exchange
And
The Connecticut Insurance Department

This Memorandum of Understanding (“MOU”), entered into between The Connecticut Health Insurance Exchange (hereinafter “Exchange”) established under Connecticut Public Act No. 11-53 and the Connecticut Insurance Department (hereinafter “CID”) (collectively, the “Parties”), shall be effective May 14, 2012.

WHEREAS, Exchange is a quasi public agency formed to implement certain provisions of the Patient Protection and Affordable Care Act, Pub.L.111-48, as amended by the Health Care and Education Reconciliation Act of 2010, Pub.L.111-152 (collectively “PPACA”) and is charged with implementing Connecticut’s Exchange for individuals and small employers to be effective January 1, 2014;

WHEREAS, CID is an agency established pursuant to section 4-38c of the Connecticut General Statutes (“C.G.S.”) to act on behalf of the Insurance Commissioner and at his direction in order to carry out the responsibilities under Title 38a of the C.G.S.

WHEREAS, Exchange has requested CID, and CID agrees, to assist with technical advice, sharing of CID information, and other functions, as described herein;

NOW THEREFORE IT IS HEREBY AGREED THAT:

I. PURPOSE

The purpose of this MOU is to define the mutual understandings between Exchange and CID related to the technical advice and assistance that CID will provide to Exchange.

II. DEFINITIONS

- (a) “Small employer” on the effective date of this MOU shall have the same meaning as that term is defined in C.G.S. section 38a-564. However, both parties recognize that the State is required under PPACA to change to a small employer definition to up to 100 employees, on or before January 1, 2016.

III. CID SERVICES TO EXCHANGE RELATED TO STATUTORY FUNCTIONS

CID performs a number of statutorily required functions as described in Appendix A to this MOU. This MOU does not modify or supersede any law or regulatory

requirements in force. However, CID wants to ensure ease of access for the Exchange to these functions, as follows:

- (a) Health insurer and health care center (HMO) licensing - the Exchange may access this licensing information from CID's website (www.ct.gov/cid) and confirm whether or not an entity has a current license. However, to the extent the Exchange reasonably has questions or needs additional information, Exchange shall email or telephone its inquiry to the CID Financial contact listed in Appendix B, and CID shall use its best efforts to respond within five (5) business days.
- (b) Licensing of producers – the Exchange can access whether a producer is licensed through the CLIC capability from CID's website. However, to the extent Exchange reasonably has questions or needs additional information, Exchange shall email or telephone its inquiry to the CID Licensing of producers contact listed in Appendix B, and CID shall use its best efforts to respond within five (5) business days.
- (c) Filing of individual and group health insurance policy forms - to the extent the Exchange needs to confirm that the forms have been filed and approved by CID and include the Essential Health Benefits as required under PPACA, Exchange shall email or telephone a request to the CID contact listed in section VI, and CID shall use its best efforts to respond within five (5) business days. In addition CID shall continue to work through the National Association of Insurance Commissioners (NAIC) to facilitate the Exchange's access to an improved System for Electronic Rate and Form Filing (SERFF).
- (d) Filing of individual and small group health insurance rates - the Exchange shall access the CID website to ascertain the status of rate increase requests filed with CID by health insurers and HMOs – However, to the extent the Exchange reasonably has questions or needs additional information, Exchange shall email its inquiry to the CID contact listed in section VI herein, and CID shall use its best efforts to respond within five (5) business days. In addition CID shall continue to work through the NAIC to facilitate the Exchange's access to an improved SERFF.
- (e) Consumer Affairs – CID staff will make one or more presentations to the Exchange, at times and places mutually convenient to the parties, and CID will explain its role in reviewing and responding to consumer complaints about health insurance as well as its online system for consumers to utilize 24/7. CID agrees to provide ongoing training, as reasonably requested by the Exchange and as reasonably necessary, particularly in the early stages of operation of the Exchange. Exchange may refer complaints about health carriers and health insurance to the Consumer Affairs area; however, CID Consumer Affairs staff will not assist with exclusively Exchange issues, such as actions of staff of Exchange and issues related to any Exchange developed

communications materials, website and the information contained in said website. CID posts an annual ranking on accident and health insurers, including complaint information, on its website and can respond to questions from Exchange staff about the report.

- (f) Market Conduct – If Exchange has instances of what it believes are patterns of misconduct by a health insurer or HMO, Exchange shall refer to the Market Conduct contact identified in the Appendix B for appropriate action, as warranted under the circumstances. CID posts Market Conduct reports on its website, as examinations of licensed companies are completed and can answer questions from Exchange staff about the reports.
- (g) Network Adequacy – Network adequacy standards are contained in C.G.S. section 38a-472f (2012 Supplement), Exchange may confirm with CID that a carrier has certified to these standards. CID is requiring entities completing the consumer report card under C.G.S. section 38a- 478c to certify to the requirements of C.G.S. section 38a-472f (2012 Supplement). Alternatively the Exchange may choose to handle certification of network adequacy in its contracts with issuers of Qualified Health Plans.
- (h) Marketing Standards –Exchange may develop its own marketing standards that may be applied to health insurers and HMOs that offer products through the Exchange. However, to the extent Exchange becomes aware of any health insurer, HMO, producer, or other entity possibly violating C.G.S. section 38a-816 relating to unfair trade practices in the business of insurance, Exchange shall refer such issue to CID for its Consumer Affairs area or Market Conduct area, to investigate and take action, if warranted under the circumstances; and
- (i) Provider Directories – C.G.S. section 38a-478d contains requirements concerning the provision of provider listings to insureds by managed care entities. CID monitors enforcement of these requirements through its Consumer Affairs and Market Conduct areas and can handle any consumer complaints on this topic.

IV. ADDITIONAL CID SERVICES

CID agrees to make reasonable efforts to assist the Exchange, including making its staff available, upon reasonable request of the Exchange, to assist with items, including but not limited to, the following:

- (a) participate in Committees and work groups established by the Exchange Board, in addition to CID Commissioner's role as a non-voting Board Member;

- (b) technical advice concerning issues of open enrollment and group participation levels, including meetings with the Exchange and health insurance industry representatives;
- (c) offer technical advice and suggestions concerning Navigators or other staff of Exchange and assist in the development and implementation of licensing, registration or certification requirements for Navigators;
- (d) marketing standards – CID will provide information on its administration of the unfair practices in the business of insurance laws, C.G.S. section 38a-816, related to items such as misrepresentation and false advertising of insurance policies.
- (e) essential health benefits – CID will solicit data from carriers, as appropriate, to assist Exchange in developing Exchange's recommendation of a benchmark plan, to be sold inside and outside the Exchange;
- (f) actuarial value- CID actuaries will provide technical comments, as reasonably requested by Exchange, to assist Exchange officials and consultants in evaluating this issue and information submitted by health insurers and HMOs to the Exchange;
- (g) discriminatory health benefits - CID will share information on current law, section 38a-476a concerning discrimination based on health status;
- (h) risk adjustment – CID to share its technical expertise;
- (i) reinsurance – CID to share its technical expertise;
- (j) definition of service area- CID to share its technical expertise;
- (k) data reporting – CID to share its technical expertise;
- (l) grace periods for Exchange to use related to termination of individual and small group coverage in the Exchange, for failure to pay premiums due, consistent with PPACA's requirements - CID to share its technical expertise;
- (m) consumer complaints – CID will use its best efforts to track Exchange complaints separately from other complaints received by CID, and CID will use its best efforts to provide quarterly reporting on Exchange complaints to Exchange, beginning after the end of the first quarter of 2014; and
- (n) other issues as reasonably requested by Exchange and as mutually agreed by the parties.

To the extent possible, all requests for assistance shall be in writing and shall be directed to the appointed contact person identified below.

In deciding whether to and to what extent to fulfill a request for assistance, CID may take into account whether compliance with the request will be so burdensome as to disrupt the proper performance of the CID's regulatory functions.

V PAYMENT RESPONSIBILITY

There is no charge for CID's services, at the time of execution of this MOU. Any costs are absorbed within CID's budget. If there is mutual agreement between the parties at a later date that CID's services are to be significantly expanded, the parties will address any cost issues at such time.

VI. CONTACT PERSONS

Exchange and CID agree to designate a contact person for the purpose of communicating information and coordinating any necessary activities. The following people will be the designated contact persons:

(a) CID: Mary Ellen Breault
Director, Life and Health
Insurance Department
P.O. Box 816
Hartford, CT 06142-0816
860-297-3857
maryellen.breault@ct.gov

(b) Exchange: Tia Cintron
Acting CEO
Connecticut Health Insurance
Exchange
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106
860-418-6407
tia.cintron@ct.gov

VII. DISPUTE RESOLUTION

In the event of a dispute over the implementation or operation of any administrative aspect of this MOU, an attempt shall first be made to resolve the issue(s) between the designated contact persons or their designees from CID and Exchange. Further resolution, if necessary, shall be determined by the Commissioner and the Board of Directors of Exchange.

VIII. GENERAL PROVISIONS

The parties to this MOU are cooperating state agencies;

- (a) No employee or agent of the CID shall be or shall be deemed to be an employee or agent of Exchange and shall have no authorizations, express or implied, to bind the State as to any agreements, settlements, liability or understandings, except as expressly set forth in this MOU. CID shall solely and entirely be responsible for its acts and the acts of its employees and contracted staff during the performance of this MOU.
- (b) No employee or agent of Exchange shall be or shall be deemed to be an employee or agent of the CID and shall have no authorizations, express or implied, to bind the State to any agreements, settlements, liability or understandings, except as expressly set forth in this MOU. Exchange shall solely and entirely be responsible for its acts and the acts of its employees and contractors, if any, during the performance of this MOU.
- (c) This MOU shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) The parties may wish to amend this MOU. No amendments shall be valid unless and until they have been duly signed and attached to the original MOU.

The individuals below are named as parties to this MOU and, by their signatures, mutually enter into this MOU. Either party may, from time to time, designate in writing a substitute representative.

VIII TERM

CID and Exchange agree to review this MOU on an annual basis. This MOU shall remain in effect until terminated by either party upon thirty (30) days written notice.

Connecticut Health Insurance Exchange



Tia Cintron
Acting CEO

Insurance Department



Thomas B. Leonardi
Commissioner

APPENDIX A
CID STATUTORY DUTIES RELEVANT TO EXCHANGE

1. Licensing of Health Insurers and HealthCare Centers (HMOs). CID performs this function under C.G.S. section 38a-41.
2. Licensing of Producers – CID licenses Producers under C.G.S. section 38a-702b and can take disciplinary action, as warranted against Producers not acting properly. Producers are individuals or entities who sell, solicit or negotiate insurance.
3. Filing of Individual and Group Health Insurance Policy Forms. CID approves these forms under C.G.S. sections 38a-183, 38a-481, and 38a-513. CID will require that medical plans under PPACA meet the Essential Health Benefits requirements and all other statutory requirements, once these are determined for Connecticut.
4. (a) Filing of Individual Health Insurance Rates and Small Group HMO rates. CID has statutory authority to approve or disapprove these rates in advance under C.G.S. sections 38a-183 and 38a-481(b). In addition for small group indemnity rates CID requires filing consistent with PPACA and can deem them unreasonable pursuant to Insurance Department Bulletin HC-81-2.
5. Consumer Affairs – CID has a Consumer Affairs area (C.G.S. section 38a-9) to handle consumer inquiries and complaints on health insurance, as well as other categories of insurance.
6. Market Conduct – CID has a Market Conduct area (C.G.S. section 38a-15) which monitors health insurers and other insurers' performance in complying with statutes and meeting all contract requirements and treating policyholders and certificate holders fairly and in accordance with state insurance laws.
7. Network Adequacy – C.G.S. section 38a-472f (2012 Supplement) requires effective January 1, 2012 that health insurers meet the NCQA or URAC standards on network adequacy. CID is requiring managed care companies to certify that they are meeting this requirement in their submission to the Department as part of its consumer report card requirements.
8. Marketing Standards – CID monitors the unfair insurance practices statute (C.G.S. section 38a-816) which prohibits misrepresentation, false advertising and other improper activity.

APPENDIX B
ADDITIONAL CID CONTACTS

1. Financial – Kathryn Belfi, 860 297-3968 and kathy.belfi@ct.gov
2. Consumer Affairs – Gerard O’Sullivan, 860 297-3889 and gerard.o’sullivan@ct.gov
3. Licensing of Producers – Antonio Caporale, 860 297-3981 and antonio.caporale@ct.gov
4. Market Conduct – Kurt Swan, 860 297-3972 and kurt.swan@ct.gov