



**Student Health Insurance
Rate Filing Guidance**
Pennsylvania Insurance Department
for Plan Year 2024 – 2025

Contents

A. Student Health Insurance	3
B. General Instructions	3
1. Timeline.....	3
2. Pennsylvania Filing Requirements.....	4
A. Required Documents.....	4
B. SERFF Submission	4
C. SERFF Rate/Rule Schedule Tab.....	5
D. Pennsylvania Insurance Department Contact.....	5
C. Cover Letter Materials.....	5
1. Cover Letter Public Document – Rate Manual Filing	5
2. Cover Letter – Specific Named Group Filing.....	5
D. Rate Manual Filing.....	6
1. Rate Manual	6
2. Actuarial Memorandum	6
E. Group Specific Named Filing.....	9
1. Cover Letter.....	9
2. Rate Review Justification.....	9
3. AV Screenshot	9
4. Excel Based Rate Development for School.....	9
5. Final Rates	9
F. Actuarial Memorandum Certifications	10
G. Rate Review Justification (RRJ)	10
1. Rate Reporting Form	10
2. Written Explanation of the Rate Change	10
Pennsylvania’s Student Health Insurance Filing Timeline	11

A. Student Health Insurance

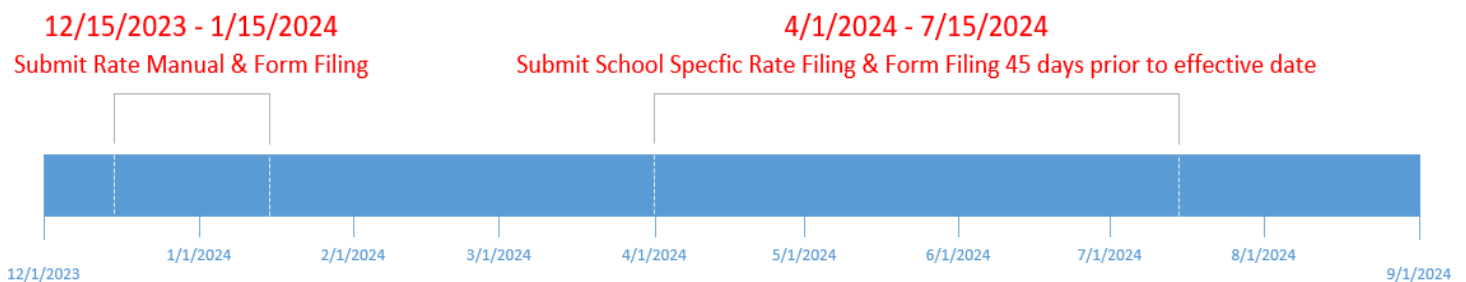
Under 45 C.F.R § 144.103 and § 147.145, student health insurance is defined as a type of individual market health insurance coverage offered to students and their dependents under a written agreement between an institution of higher education and an issuer. Student health insurance is also considered individual insurance under 40 P.S. § 3801.301 et seq.; the Department does not consider student health insurance to be blanket insurance, and it is not deregulated.

Therefore, in accordance with state and federal law, the Pennsylvania Insurance Department will review student health insurance forms as individual coverage. Student health insurance must include all required provisions and state mandates that apply to individual coverage and must comply with all applicable federal laws. Please note that student health forms should not contain any language referencing ERISA, as ERISA is group coverage specific. The only federal laws applicable to individual health insurance that are modified in their application to student health insurance are those described in 45 C.F.R § 147.145(b). The two modifications pertinent to form filings involve guaranteed availability and guaranteed renewability in §147.145(b)(1).

B. General Instructions

This document outlines the rate filing requirements and expectations for all fully insured health insurance plans offered in Pennsylvania. Together, these required filings (the Rate Manual Filing and the Specific Named Group Filing) and the accompanying Student Completeness Checklist must be filed annually for review and acknowledgement. Following this guidance and submitting the Student Completeness Checklist with the rate filings will facilitate an efficient review.

1. Timeline



Rate filings must be submitted in a two-part process. First, the insurer must submit a rate filing that includes an actuarial memorandum and a rate manual (“the Rate Manual Filing”) **no earlier than December 15th, 2023, and no later than January 15th, 2024**. The corresponding Form Filing SERFF tracking number should be referenced in the filing.

Second, the insurer must submit a “Specific Named Group” rate filing **no later than 45 days prior to the effective date of the policy**. A separate school specific rate filing is required for each institution with which the insurer contracts. The Department will review the filing to confirm that the quoted rates were developed in accordance with the “Acknowledged” rate manual. Upon completion of the review, the Department will change the SERFF filing status to “Acknowledged.”

2. Pennsylvania Filing Requirements

A. Required Documents

Pennsylvania requires annual rate filings for all fully insured student health insurance plans, including those with rate decreases or unchanged rates. All “Rate Manual” and “Specific Named Group” filings must be made in SERFF. Filings will be considered incomplete and may be rejected if the items in the tables below are not included.

Required Documents – Rate Manual Filing
Cover Letter
Actuarial Memorandum and Certifications (unredacted)
Rate Manual and rate exhibits, including an Excel workbook that chronicles the step-by-step methodology (unredacted) and two sample calculation worksheets
Public Rate Manual PDF (the final version of the complete Rate Manual Filing with limited redactions)

Required Documents – Specific Named Group Filing
<i>Documents Required to be Filed with PID</i>
Rate Review Justification (RRJ) Templated – Rate Reporting Form
RRJ – Written Explanation of the Rate Change
<i>Pennsylvania Documents Required to be Filed with PID</i>
Cover Letter
Final Rates for the Institution(s) (Excel with working formulas)
Final AV Screenshots
Final Excel workbook that demonstrates the rate calculation and chronicles the step-by-step methodology for the named institution(s)
Certification that final rates are developed in accordance with the acknowledged rate manual
Public Specific Named Group Filing PDF (the final version of the complete Specific Named Group Filing with limited redactions)
Student Completeness Checklist

Consistent with guidance provided during the annual rate review cycle for calendar year ACA-compliant plans, the Department does not anticipate redactions other than the following: AV Screenshots, Opining Actuary’s Name, Specific Provider Contracting Information, and Commission Schedules.

B. SERFF Submission

Please use the following Types of Insurance (TOI), Sub-Types of Insurance (Sub-TOI), and Filing Types. Please submit rate and form filings separately.

Rate Manual Filing:

- TOI – H22 Student Health Insurance
 - Sub-TOI – H22.000 Student Health Insurance
- Filing Type
 - Rate

Specific Named Group Filing

- TOI – H22 Student Health Insurance
 - Sub-TOI – H22.000 Student Health Insurance
- Filing Type
 - “Rate Confidential” – specific named group (will be made public)

C. SERFF Rate/Rule Schedule Tab

Rate Manual Filing

The SERFF Rate/Rule Schedule tab should contain the proposed rate manual. The Company Rate Information and Rate Review Detail should be completed. The Supporting Documentation tab should contain Actuarial Memorandum and rate exhibits.

Specific Named Group Filing

The SERFF Rate/Rule Schedule tab should contain the final rates for the institution(s).

The Company Rate Information and Rate Review Detail should be completed. The data presented should be school-specific and should be consistent with the data that appears in the corresponding Rate Review Justification (RRJ).

The Supporting Documentation Tab should contain the school specific RRJ, Part 1 Rate Change Summary Form, Part 2 Written Explanation of Rate Change, and the school specific rate development exhibit.

D. Pennsylvania Insurance Department Contact

Dave Yanick, FSA, MAAA | Life, Accident and Health Insurance Actuarial Supervisor

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C. Cover Letter Materials

1. Cover Letter Public Document – Rate Manual Filing

All Rate Manual submissions will be made public, uniformly, via SERFF once all Rate Manual Filings are acknowledged. The public PDF document should contain all components of the Rate Manual Filing, as identified in the chart above, with limited redactions. Ensure that the PDF is not locked and is in text rather than image format. The Cover Letter should contain the following information:

- A. Company Name & NAIC number
- B. Corresponding contract form number and SERFF ID number(s)
- C. Estimated effective date of coverage, including policy year start and end dates
- D. Current number of covered lives and policyholders (as of Nov. 1st of the prior year) by institution(s)
- E. Rating areas
- F. Experience and rating period traditional loss ratio and the most recent 3-year MLR rebate for the nationwide book of business and the amount of rebates due in Pennsylvania for the coming year.

2. Cover Letter – Specific Named Group Filing

The cover letter should contain the following information:

- A. Company name and NAIC number
- B. Corresponding contract form number and SERFF ID number(s)
- C. Name of the institution(s) of higher education with which the insurer is contracting
- D. Average Rate Change (% and \$)
- E. Experience and rating period traditional medical loss ratio
- F. Effective date of coverage, including policy year start and end dates
- G. Current number of covered lives and policyholders (as of November 1st of the prior year)
- H. Policy year revenue for the named institution(s)
- I. Additional revenue from rate increase for the named institution(s)
- J. Rating areas, if applicable
- K. SERFF ID number(s) for the acknowledged Rate Manual Filing

D. Rate Manual Filing

The Rate Manual Filing consists of two parts: the rate manual and the actuarial memorandum.

1. Rate Manual

45 C.F.R. §147.145(b)(3) states that “student health insurance rates must reflect the claims experience of individuals who comprise the risk pool, and any adjustments to rates within a risk pool must be actuarially justified.” Therefore, in accordance with federal regulation, all rating factors and adjustments must be identified and quantified in the rate filing. Rate caps, underwriting adjustments and underwriter discretion are not permitted.

The insurer is expected to provide support that each single risk pool reflects all covered lives for every non-grandfathered product/plan combination in that pool. The single risk pool is specific to the insurer, legal entity, for the state and school(s) for which it is submitted. Multiple risk pools may exist within an institution. A college may have separate undergraduate and graduate risk pools as described in §146.121

The Rate Manual should contain the complete step-by-step methodology to develop the institution rate(s) starting from the Single Risk Pool claims. The Rate Manual should disclose the entire process including all factors used in developing the rate, as well as the criteria used in developing which factors, weights and processes are appropriate for a given institution, such that the Department can independently develop the school rate given the data and assumptions provided. The Rate Manual should minimally include criteria for the following and any other information the insurer believes is necessary to describe their entire rate process for all rating scenarios;

- Manual rate development for new business and plans with little or no credible experience;
- Experience rate development for plans with credible experience; and
- The credibility formula that generates the blended rate for schools with partially credible experience.

The rate manual should include a step-by-step development of rate determination for new business and renewal business. This should include two sample exhibits in Excel that demonstrate the step-by-step rate calculation and the resulting rate increase. It is the Department’s preference that the sample calculations be based on institutions that enrolled in the prior year, if possible. Use specific named group filings (a new school, if available, and one renewing school) submitted and acknowledged in the prior year.

To the extent that the insurer only offers set plan designs and community rates on a statewide basis, the rate manual filing should contain the proposed factors and rates for all plan designs.

Note that although the Index Rate methodology is not required in Student Health Insurance Plans, the adjusted claims from the Single Risk Pool (Base Rate) should be the basis for rate development for the institution(s). Further, the only approved factors for premium rate development in the Individual Student Market as specified in PHS Act §2701 (42 U.S.C. §300gg) are age, family size, geography, and tobacco use.

2. Actuarial Memorandum

The actuarial memorandum provides narrative that supports the rate manual, including the credibility formula, factors, and their application. It should document data sources and adjustments and discuss how this data is appropriate for use in the development of Pennsylvania student rates. The actuarial memorandum should discuss the entire rate development process including all factors used in developing the rate, as well as the criteria used in determining which factors and processes are appropriate for a given institution. Consistent with ASOP No. 8, the filing actuary should satisfy the requirements of all applicable law, including 45 C.F.R. Subt. A, Subch. B, and 40 P.S. §§3801.101 et seq. The actuarial memorandum should detail the pricing assumptions which underlie the proposed premium rate development, as shown in the Rate Manual. All exhibits and tables should be provided in Excel format and should include working formulas.

The memorandum should include the following items, as well as any other data and information necessary to justify the assumptions and factors and to demonstrate the rate development process:

1. Summary Information

- a. A summary of how pricing assumptions for the proposed rate manual compare to the current acknowledged rate manual.
- b. Identification of institutions of higher education in Pennsylvania with which the insurer has contracted to provide student health insurance for the prior academic year.
- c. The rate change history for renewing products, by institution.
- d. Identification of other states, where the insurer is issuing student health coverage.

2. Benefits

- a. Provide a benefit description, including identification of benefits in addition to EHBs.
- b. The manual rate development of the claim costs and derivation of premiums for all ACA-specific benefits and provisions, including pediatric dental, pediatric vision, etc. should be justified.
- c. Show benefit changes from the policy year experience period to policy year rating period, and development.
- d. Describe how students may seek services covered under the policy (on and away from campus) and the benefit structure for payment for student health services in- and out-of-network.

3. Risk Pool Identification and Description

- a. Consistent with 45 C.F.R. §147.145(b)(3), a health insurer that offers student health insurance coverage may establish:
 - i. A nationwide or statewide risk pool that is community rated using allowable adjusting factors (age, tobacco, and geography) to develop school premiums
 - ii. A school-specific risk pool(s) having fully credible experience to develop school premiums (such that the experience already accounts for any adjusting factors). This includes:
 1. One risk pool per institution; or
 2. Multiple risk pools within an institution. A college may have separate risk pools for undergraduate and graduate students.
 - iii. A school-specific risk pool having partially credible experience where a developed manual rate may be used for the non-credible claims (using allowable adjusting factors only for the manual rate portion of the experience). This includes:
 1. One risk pool per institution; or
 2. Multiple risk pools within an institution. A college may have separate risk pools for undergraduate and graduate students.

4. Base Rate Development

- a. Identify the data and describe the development of all factors used in the rate manual process to adjust the single risk pool to develop the base rate for each institution or for each pool within the institution.

5. Trend Identification and Justification

- a. The methodology and data used to develop the trend to project the experience period data to the rating period should be discussed.
- b. Trend factors utilized in the pricing should be sufficiently justified, including data source(s) and all assumptions and adjustments.
- c. Include an explanation of whether trends are developed on an institution-specific basis, statewide or national basis.

6. Credibility of Data

- a. A credibility formula should be provided. The determination of credibility weights assigned to plan

experience that is not fully credible should be provided, as well as a demonstration that the credibility formula is reasonable and yields consistent results over time.

7. Manual Data

- a. If manual data is used, provide the data, and identify the source, show all adjustments, and explain why the data and adjustments are appropriate for the Pennsylvania student health insurance market. More than one manual data set or rate may be used in rating different risk pools. For example, if a school has an undergraduate and graduate risk pool, different manual rates may be used in rating each risk pool. The selected manual data must be the same for all rated schools where manual data issued.

8. Completion Factors

- a. Discuss how completion factors are developed and whether they are developed on an institution- specific, statewide, or national basis. Additionally, discuss if the number of run-out months will be the same for each institution. If different, explain why.
- b. If completion factors are applied to less than 12 months of data, please show the historical and other data and narrative that supports the factors.

9. Retention, Taxes and Fees

- a. Expense assumptions – uniform percent or variable, and basis
- b. Contingency and risk/profit margins – An insurer may select a uniform profit load between 0% and 2%. However, a Blue Plan, pursuant to the 2005 Surplus Determination and Order, may be subject to different rules. The selected uniform profit load must be used in rating all schools.
- c. Quantitatively show the development of all taxes and fees including all assumptions.

10. Loss Ratio Demonstration

- a. Provide an exhibit that demonstrates that the projected rate meets the required 80% loss ratio.

11. Plan & Network Factors

- a. Provide the quantitative development and narrative of all plan and network factors.

12. Guaranteed Renewability and Guaranteed Availability

- a. Please note that according to 45 C.F.R. §147.145(b)(1)(iii), individuals in a student health plan may not be non-renewed unless the individuals are no longer students or dependents of students; otherwise, 45 C.F.R. §147.106, Guaranteed Renewability of Coverage, applies. Please include such language in the filing.
- b. Please note that according to 45 C.F.R. §147.145(b)(1)(ii), individuals in a student health plan may not be refused coverage unless the individuals are not students or dependents of students; otherwise, 45 C.F.R. §147.104, Guaranteed Availability of Coverage, applies. Please include such language in the filing.

14. Final Rates

- a. Identify all factors used to adjust the Base Rate to develop the premium rate. The insurer may select a rating structure that incorporates a 1-child maximum, 2-child maximum or a 3-child maximum, and this structure will apply to all institutions to which the insurer offers coverage. The following three methods may then be used to develop the premium rate charged for a plan or coverage:
 - i. Pure community rating, where each individual on a policy is charged the same premium. A family's rate will be the student's rate multiplied by the number of covered individuals, including the first dependent child (or 2 dependent children, if a 2-child maximum is selected or 3 dependent children, if a 3-child maximum is selected) under 21 years of age; if a family includes more than 1 (or 2, or 3) dependent child(ren), the rate will not reflect the dependent children in excess of 1 (or 2, or 3). Under this method, there are no rating adjustments for age, geography, or tobacco use.

- ii. Community rating for students, but the insurer determines a dependent child factor based on Pennsylvania's age curve (which is identical to the federal age curve) and the expected number and ages of children in the risk pool. A family's rate will be the sum of the rates for the student, the student's spouse if applicable, and the oldest (or two oldest, or three oldest) dependent child(ren) under 21 years of age; if the family includes more than 1 (or 2, or 3) dependent child(ren), the rate will not reflect the dependent children in excess of 1 (or 2, or 3). Under this method, there are no rating adjustments for age, geography, or tobacco use.
 - iii. Rating that reflects individual market rules. Under this method, the insurer uses per-member rating to determine the rate for each covered individual on a family policy based on allowable rating factors for age and tobacco use. A family's rate will be the sum of the rates for each individual family member; if a family includes more than 1 (or 2, or 3) dependent child(ren) under the age of 21, the rate will reflect only the oldest (or two oldest, or three oldest) dependent child(ren). Under this method, geography may not be used on a per-person basis since the location of the family unit is assumed to be the location of the institution.
- b. If the Manual Rate Filing does not include the final plan benefit designs and proposed rates, a statement should be included in the Actuarial Memorandum that the final plan benefit designs, proposed rates, and RRJ will be filed with the Pennsylvania Insurance Department within 7 days of quoting a contract with an institution.

E. Group Specific Named Filing

The second part of the two-part rate filing process for fully insured Student Health Insurance Plan rating is the filing of the Group Specific Named Filing. This submission should include the following items:

1. Cover Letter

See Section C. Cover Letter Materials above.

2. Rate Review Justification

Part I of the rate review justification should be submitted for each institution and risk pool if multiple risk pools within an institution exist. The form should show the claims and other information as required by the RRJ. Since this form includes data by product, the claims for multiple institutions and risk pools may be included. Please see Section G below for Pennsylvania RRJ requirements.

3. AV Screenshot

This should show the AV Calculator output demonstrating that the minimum of 60% is met.

4. Excel Based Rate Development for School

An Excel based exhibit should be provided, with working formulas, that chronicles the step-by-step rate process as acknowledged in the rate manual. All factors and processes should be consistent with the acknowledged rate manual.

5. Final Rates

A rate given to an institution prior to Department approval should contain language indicating that the rate pending Department approval and that the rate may be subject to change.

The proposed final rates submitted for review should be developed in a manner consistent with the acknowledged Rate Manual Filing. Identify all factors used to adjust the Base Rate to develop the premium rate using the method acknowledged in the Rate Manual Filing. See Section D.2.14.

F. Actuarial Memorandum Certifications

Provide certification by a qualified actuary that to the best of the actuary's knowledge and judgment:

1. The filing meets the guidance provided herein;
2. The rate filing is in compliance with the applicable laws of the Commonwealth of Pennsylvania;
3. The rate filing is in compliance with applicable federal laws, including that:
 - It is consistent with 45 C.F.R. §147.145(b)(2), all final plans will be developed to provide at least 60 percent actuarial value, as calculated in accordance with 45 C.F.R. §156.135, and
 - All final rates will be developed to meet an anticipated loss ratio, as calculated in accordance with 45 C.F.R. Subt. A, Subch. B, Pt. 158, such that it is anticipated that rebates will not be required.
4. The rate filing complies with all applicable Actuarial Standards of Practice;
5. The benefits provided are reasonable in relation to premiums;
6. The premium schedules are not excessive, inadequate, or unfairly discriminatory; and
7. The filing complies with the additional certifications listed on the checklist.

G. Rate Review Justification (RRJ)

1. Rate Reporting Form

The RRJ Part 1 should be completed, for each institution, or risk pool as appropriate, proposed and filed, in Excel for all renewing product filings, including filings with no rate changes, rate decreases or rate increases. The RRJ is a standardized Excel-based form that collects institution-level summary data on the underlying medical and administrative cost drivers of the rate change. A separate RRJ should be filed for each institution or risk pool as appropriate.

Insurers should use the standardized Microsoft Excel worksheet, Part 1 of the RRJ – Rate Change Summary Worksheet, available for download from the Department's website, [here](#). The CMS instructions for completing the form, "Rate Review Justification Instructions for Transitional Policies and Student Health Plans (Updated April 1, 2015)," can be found [here](#).

When populating the RRJ Part 1, insurers should provide data for the most recent policy year experience period available, with two months run out.

Additionally, insurers should provide an accompanying Excel spreadsheet that shows the institutions included in each RRJ, the number of enrolled students, the number of enrolled dependents, and the number of years the insurer has provided student health insurance to each institution.

2. Written Explanation of the Rate Change

This form is required for all filings, including filings with no rate changes, rate decreases or rate increases. This is a brief, non-technical consumer-oriented explanation of the rate change, intended to provide context for the quantitative information provided in the RRJ Template. Please see the "Rate Review Justification Instructions for Transitional Policies and Student Health Plans (Updated April 1, 2015)" located [here](#).

Pennsylvania's Student Health Insurance Filing Timeline

