Rating in State-Qualified Private Plans

The Trade Act of 2002, Public Law No. 107-21 0 created the Health Coverage Tax Credit (HCTC) for the purchase of health coverage by certain individuals. Eligibility for the HCTC is determined on a monthly basis. For each month an individual claims the credit, whether in advance or on their federal tax return, he or she must meet certain requirements including enrollment in a qualified health plan. Only specific health plans qualify for the HCTC. A qualified health plan is one that is allowable under the HCTC legislation including three automatically qualified plan types or a state-qualified health plan. A state-qualified health plan is one that a State elects as qualified specifically for the HCTC program and must meet the legislative requirements for health insurance set forth in the Trade Act of 2002 and codified in Internal Revenue Code Section 35(e)(2).

This form should be completed by a representative of the state for the health care option you recently submitted to the HCTC program for review. Please complete this form according to the type of product your state has submitted for HCTC. The product types are outlined in item 1. If you have any questions while filling out this form, please contact Steve Finan at the Department of the US Treasury at (202) 622-1446. Thank you in advance for your participation. Once completed, please send the form back to us by fax or mail.

Fax Number:
1-800-675-9602

Mailing Address:
ATTN: HCTC State-Qualified
Accenture 15115 Park Row
Houston, TX 77084

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Your response is voluntary. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by code section 6103. The estimated average time to complete this form is 30 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we will be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do NOT send this form to this address. Instead, enclose it with the magnetic tape and send it to the Service Center to which you submit your tapes or send it to the transmission reception site that received your transmitted returns.

State: _____ Date: _____
Contact Name: _____ Phone: _____
Title: _____ Email: _____
Organization: _____

1. **Is this product offered to HCTC eligibles through: (CHECK ONE)**

- ☐ **a. An Individual Plan *(Please answer questions in Section 2)***
- ☐ **b. A Group Plan *(Please answer questions in Section 3)***
- ☐ **c. Another Pooling Arrangement *(Please answer question in Section 4)***

2. **If it is an INDIVIDUAL plan: complete questions 2A through 2E.**

2A. Are premium rates based on individual health/risk status? (Check One) ☐ YES ☐ NO

2B. How is the underwriting structure determined? (Check One) ☐ Set by the State (e.g. Standardized)
☐ Based on a method established by the insurer ☐ Other (Please Specify)

_____
_____
_____
_____

2C. Individuals are rated by: (Check all that apply) ☐ Age ☐ Sex ☐ Geography ☐ Health Status
☐ Other (Please Specify)

_____
_____
_____
_____

3E. a. How are group member premiums determined? (Check One)
☐ As a group (i.e. all enrollees pay the same, average rate)
☐ As individuals

If group member premiums are determined on an Individual basis, how are they rated? (Check all that apply) ☐ Age ☐ Sex ☐ Geography ☐ Health Status
☐ Other (Please Specify)

_____
_____
_____
_____

b. Is there a maximum rate or premium adjustment that can be charged to individual enrollees within the group? (Check One) ☐ YES ☐ NO ☐ N/A

If YES, is this maximum based on state rating restrictions? (Check One) ☐ YES ☐ NO

c. What is the maximum premium adjustment that can be applied for:
Age _____
Gender _____
Health status/claims experience/risk status _____
Other factors (Please Describe)

_____
_____
_____
_____

d. Are these factors otherwise used to rate individuals in group plans in the state? (Check One) ☐ YES ☐ NO ☐ N/A

3F. e. What is your rate structure? (Check One) ☐ Single ☐ Single + Spouse ☐ Single + Family
☐ Other (Please Specify)

_____
_____
_____

4. If it is a ANOTHER POOLING ARRANGEMENT complete questions 4A through 4H:

4A. Is the arrangement subject to individual market rules, group market rules, or some other set of state rules? (Check One) ☐ YES ☐ NO

If YES, please specify

_____
_____
_____
_____

4B. Are premium rates based on individual health/risk status? (Check One) ☐ YES ☐ NO

4C. How is the underwriting structure determined? (Check One) ☐ Set by the State (e.g. Standardized) ☐ Based on a method established by the insurer ☐ Other (Please Specify)

_____

_____

_____

_____

4D. If group member premiums are determined on an Individual bases, how are they rated? (Check all that apply)
☐ Age ☐ Sex ☐ Geography ☐ Health Status
☐ Other (Please Specify)

_____

_____

_____

4E. Is there some other factor or basis for determining premium rates in this pooling arrangement? (Check One)
☐ YES ☐ NO

If YES, please specify

_____

_____

_____

4F. Is there a maximum on rates that can be charged within the plan? (Check One) ☐ YES ☐ NO

If YES, how is the maximum determined?

_____

_____

_____

4G. Is the product(s) being offered to HCTC also available to non-HCTC individuals in the market? (Check One) ☐ YES ☐ NO

d. If YES, are the HCTC-eligible individuals rated on the same basis as other individuals—e.g., are they in the same "pool" for rating purposes? (Check One) ☐ YES ☐ NO

e. If the HCTC plans are rated separately from the rest of the individual market (e.g., they are rated with some sub-groups of the individual market), please describe what the pool is/what other groups are in the HCTC pool (e.g., HIPAA eligibles)?

_____

_____

_____

f. Are there other separate pools for certain groups in the individual market? (Check One) ☐ YES ☐ NO

If YES, what are they? (please give examples)

_____

_____

4H. What is your rate structure? (Check One) ☐ Single ☐ Single + Spouse ☐ Single + Family ☐ Other (Please describe)

_____

_____