4576S02.01S

SENATE AMENDMENT NO. ___

Offered by ______________________________ **of** ____

Amend ___Senate___ **Bill No.** _537_, **Page** _1_, **Section** _A_, **Line** _6_,

2 by inserting after all of said line the following:

3 "376.465. 1. As used in sections 376.465 to 376.468, the

4 following terms mean:

5 (1) "Department", the department of insurance, financial

6 institutions and professional registration;

7 (2) "Director", the director of the department of

8 insurance, financial institutions and professional registration;

9 (3) "Enrollee", a policyholder, subscriber, covered person,

10 or other individual participating in a health benefit plan;

11 (4) "Health benefit plan", shall have the same meaning as

12 such term is defined in section 376.1350;

13 (5) "Health carrier", shall have the same meaning as such

14 term is defined in section 376.1350;

15 (6) "Significant increase", a rate increase exceeding the

16 rate increases contemplated in 42 U.S.C. Section 300gg-94 and

17 outlined in any regulations promulgated under the authority

18 granted therein.

19 2. Beginning July 1, 2014, every health carrier issuing a

20 health benefit plan form which is submitted for approval under

21 section 354.085, 354.405, 376.405, or 376.777 shall file with the

22 director its premium rates and classification of risks pertaining

1 to such form together with sufficient information to support the
2 premium to be charged. Such premium rates, classification of
3 risks, and all modifications thereof shall be filed with the
4 director no later than sixty days prior to their effective date.
5 Plan forms, rate filings, and supporting data included in the
6 definition of public record under section 610.010 shall be posted
7 and available to the public on the department's website.
8 3. Each rate filing shall include:
9 (1) The product form number or numbers and approval date of
10 the product form or forms to which the rate applies;
11 (2) A statement of actuarial justification; and
12 (3) Information sufficient to support the rate, including
13 but not limited to:
14 (a) All factors that could be considered in calculating the
15 premium to be paid for a health benefit plan;
16 (b) An appropriate explanation for each factor; and
17 (c) Any other information which would be needed to enable
18 any other actuary who is a specifically qualified member of the
19 American Academy of Actuaries to validate the rates and
20 associated factors.
21 4. A rate filing required under this section shall be
22 submitted by a qualified actuary representing the health carrier.
23 The qualified actuary shall be a specifically qualified member of
24 the American Academy of Actuaries. The statement by the
25 qualified actuary shall:
26 (1) Certify that to the best of the actuary's knowledge and
27 belief the rates are not excessive, inadequate, or unfairly
28 discriminatory;
29 (2) State the basis for such conclusion; and

(3) Attach all documentary material considered in reaching such conclusion.

5. All premium rates for health benefit plans shall be made in accordance with the following provisions and due consideration shall be given to:

(1) Past and prospective loss experience;

(2) Current and projected loss ratio;

(3) Past and prospective expenses;

(4) Trend projections related to utilization, and service or unit costs;

(5) Per enrollee per month allocation of current and projected premium;

(6) Three year history of rate increases for products subject to the rate increase; and

(7) Adequacy of contingency reserves.

6. Any risk classification, premium rates, and all modifications thereof shall not establish an excessive, inadequate, or unfairly discriminatory rate. No rate shall be held to be excessive unless such rate is unreasonably high for the insurance coverage provided. No rate shall be held to be inadequate unless such rate is unreasonably low for the insurance coverage provided and is insufficient to sustain projected losses and expenses. Unfair discrimination shall have the same meaning ascribed to such term in section 375.936.

7. In accordance with the procedures set forth in section 376.466, the director shall review the proposed rates, the information submitted in support of the proposed rates, and any supplemental information requested by the director or otherwise submitted to the director regarding the proposed rates and make a

1 determination as to whether the rates are excessive, inadequate,
2 or unfairly discriminatory within thirty days from the date of
3 the filing by the health carrier.

4 8. The director may promulgate rules to implement the
5 provisions of this section. Such regulations may, among other
6 things, clarify or explain the form and content of the
7 information required to be submitted under this section. Any
8 rule or portion of a rule, as that term is defined in section
9 536.010 that is created under the authority delegated in this
10 section shall become effective only if it complies with and is
11 subject to all of the provisions of chapter 536 and, if
12 applicable, section 536.028. This section and chapter 536 are
13 nonseverable and if any of the powers vested with the general
14 assembly pursuant to chapter 536 to review, to delay the
15 effective date, or to disapprove and annul a rule are
16 subsequently held unconstitutional, then the grant of rulemaking
17 authority and any rule proposed or adopted after the effective
18 date of this section shall be invalid and void.

19 376.466. 1. Concurrent with the filing of a significant
20 rate increase for approval by the department, a health carrier
21 shall notify in writing all affected enrollees and policyholders
22 of the proposed significant rate increase. Such notice shall
23 specify the rate increase proposed that is applicable to each
24 enrollee or policyholder, and shall include the ranking and
25 quantification of those factors that are responsible for the
26 amount of the rate increase proposed. The notice shall include
27 information about how the enrollee or policyholder can contact
28 the department for assistance.

29 2. Within ten days of the date the health carrier files for

1 approval of a significant rate increase, the director shall set a
2 date for a public hearing on the proposed significant rate
3 increase. The hearing shall be held no later than thirty days
4 after the department receives the filing from the health carrier.
5 The director shall provide a copy of any information filed by the
6 health carrier under subsection 2 of section 376.465 to any
7 person making a written request for the information. At the
8 hearing, the health carrier may provide additional information in
9 support of its proposed significant rate increase and any member
10 of the public may provide information in support of or in
11 opposition to the proposed significant rate increase.
12 3. The director shall solicit public comments on each
13 proposed significant rate increase and shall post without delay
14 all comments received on the department's website prior to
15 approval or disapproval of the proposed significant rate
16 increase.
17 4. The director shall consider the public testimony and
18 comments received for consideration in determining whether to
19 approve or disapprove such significant rate increase proposals.
20 5. Within twenty days of the hearing described in
21 subsection 2 of this section, the director shall review all of
22 the information submitted to determine whether the proposed
23 significant rate increase is justified. No rate shall be
24 considered justified that is excessive, inadequate, or unfairly
25 discriminatory. If the director determines that the rate is
26 justified, the director shall issue an order authorizing the
27 health carrier to use the premium rate as proposed. If the
28 director determines that the rate is not justified, the director
29 shall issue an order prohibiting the use of the premium rate as

1 proposed. The health carrier, or an enrollee or policyholder
2 under section 376.468, may appeal the director's decision under
3 chapter 536.

4 6. Within ten days of the director's decision and notice to
5 the health carrier of such decision, the health carrier shall
6 notify in writing all affected enrollees and policyholders of the
7 determination of the director regarding the premium rate
8 increase.

9 7. The director shall adopt regulations to implement the
10 provisions of this section. Any rule or portion of a rule, as
11 that term is defined in section 536.010, that is created under
12 the authority delegated in this section shall become effective
13 only if it complies with and is subject to all of the provisions
14 of chapter 536 and, if applicable, section 536.028. This
15 section, section 376.465, and chapter 536 are nonseverable and if
16 any of the powers vested with the general assembly pursuant to
17 chapter 536 to review, to delay the effective date, or to
18 disapprove and annul a rule are subsequently held
19 unconstitutional, then the grant of rulemaking authority and any
20 rule proposed or adopted after the effective date of this section
21 shall be invalid and void.

22 376.468. Any enrollee or policyholder notified by a health
23 carrier of a proposed rate increase and the director's decision
24 under section 376.466 shall be entitled to judicial review as
25 provided in chapter 536 if:

26 (1) The enrollee or policyholder pays all or a majority
27 portion of the premium for the health insurance policy; and

28 (2) The enrollee or policyholder will be paying all or a
29 majority portion of the increase of premium for the health

1 insurance policy; and

2 (3) The premium rate increase is:

3 (a) Equal to or greater than an eight percent increase in

4 premium for a health insurance policy providing the same coverage

5 for the new policy period as was provided in the immediately

6 preceding policy period; or

7 (b) Equal to or greater than a twenty percent increase in

8 premium for a health insurance policy which provides additional

9 coverage for the new policy period as compared to the coverage

10 provided in the immediately preceding policy period; and

11 (4) The appeal is the only appeal made for a premium

12 increase for or during the new policy period."; and

13 Further amend the title and enacting clause accordingly.