

# TEXAS HEALTH INSURANCE RISK POOL

## Y2009 INTERIM ASSESSMENT QUESTIONS/ANSWERS COVERED LIVES REPORTING FORM (Pink Form) & FULLY-INSURED PREMIUMS REPORTING FORM (Yellow Form)

**Question:** What if my company exited from Texas or a particular health insurance market (for example, a **market exit** from individual health insurance in Texas) since 12/31/2008? I don't want my Y2009 Interim Assessment to be based upon my 12/31/2008 covered lives counts.

**Answer:** You should include supporting documentation with your completed Reporting Forms that describes the exit and why it will impact your share of the Pool's assessment.

**Question:** We have received the 2009 Health Benefit Plan Reporting Forms, and I have a question on the Covered Lives Calculation Worksheet. **Regarding Section 1, Stop Loss**, we have a total number of 109 Texas-resident covered employee lives for Line #1, but I am not sure what to put on Line #2, Number of Line 1 employees also covered by a **primary Issuer**. We issue a stop loss policy to the employer who provides the health insurance to his employees. Wouldn't the employer be the primary Issuer? He's the one who's covering the 109 employees, and we are simply reimbursing him for claims over a certain limit. Please let me know, then, who in this instance is the primary Issuer.

**Answer:** The "issuer" referenced on Line #2 does not mean an employer that provides or sponsors a self-funded health plan. Employers do not report their covered employee lives to the Pool. The intent of line #2 is to avoid double-counting of the same lives by the insurer, issuing coverage to an employer, and the reinsurer of the insurer's business. In your situation, you issue coverage to an employer so you would report zero lives on line #2. If your business is reinsured, your reinsurer would report the lives you reported on line #1 on line #2 of the reinsurer's form.

**Question:** Are **Medicare Part D** covered lives and premiums exempt from assessment? If so, where are Part D covered lives and premiums reported?

**Answer:** Yes, Part D lives and premiums are exempt. Part D lives and premiums should be reported on the exempt Medicare/Medicaid lines of the covered lives and premiums reporting forms.

**Question:** Are group policies issued to employers, which provide **less than major medical levels of benefits (such as "mini-meds" or other "limited benefit employer policies")**, subject to assessment?

**Answer:** Yes, unless the group policy is a specifically exempted type of coverage, such as fixed indemnity-only benefits (where the policy pays a flat amount regardless of the actual expenses incurred by the insured), accident only, etc. Please refer Section 1506.002 (b), (c) and (d), Texas Insurance Code (TIC), for the coverages not included in the definition of a "health benefit plan," subject to assessment. . Also coverage issued to small employers, as defined by Subchapters D-H, Ch. 1501 of the Insurance Code, is not subject to assessment, pursuant to section 1506.253 (c), TIC.

**Question:** Is coverage issued to a **Health Group Cooperative** (SB 10 co-op) for small employers exempt from assessment?

**Answer:** No. By statute, an SB 10 co-op for small employers is treated as a large employer (Sec. 1501.063 (b-2), TIC). The covered employee lives and premiums should be reported as large employer covered lives and premiums, subject to assessment.

**Question:** Should the number of employees counted for Line #1, in both the Parts I and II of the covered lives worksheets, be based on:

- group policies issued/sitused in Texas only; or
- **all Texas residents**, covered under any group policy, **regardless of where the group policy is issued** (e.g., an employer group policy issued in a state other than Texas, but which covers Texas employees)?

**Answer:** All employees who reside in Texas must be counted, even if the fully insured employer group policy or stop-loss policy is issued to an employer located outside Texas. Only Texas employees under such a policy should be reported, not non-Texas employees.

**Question:** What types of employees are included on **Line #2 in Sec. II** of the covered lives worksheet?

**Answer:** Only employees of a **small employer**, covered by a group health plan subject to Subchapters D-H, Ch. 1501, should be included on this line. The premiums for these employees should be reported on Line #14 of the premiums reporting form. If the employees of a small employer are covered by one of the product types exempt from the Pool's assessment, those lives and premiums should be reported on the specific deduction line for that product, not on the deduction line for Ch. 1501 small employer plans.

**Question:** Is a **Property & Casualty** company that does not write Life & Health policies, but writes Accident insurance, required to file reporting forms?

**Answer:** Yes. Although accident insurance is exempt from assessment, the company must complete both the Covered Lives and the premium forms in order to claim the exemption.

**Question:** How should we report **dependents**, covered under group health plans, including small employer group plans, on the covered lives form?

**Answer:** Dependents should not be included in the counts for the covered lives form, but should be included in the premium form.

**Question:** What are “**non-employee certificates**” under discretionary group policies? Does this category include employees covered under Small Employer group plans?

**Answer:** “Non-employee certificates” are those issued under non-employer group policies, such as association group or discretionary trust policies. The lives covered by non-employee certificates should be included in Line 6.b. of Sec. II of the covered lives form. Certificates issued to employees of a small employer or to employees of a large employer are counted elsewhere on the form, either as exempt small employer employees or as assessable large employer employees.

**Question:** How should **minimum premium policies** (MPP) be reported?

**Answer:** Minimum premium plans are classified as fully insured policies and therefore lives insured under a MPP should be counted as fully insured lives in Sec. II on the Covered Lives Reporting form, not as stop loss lives. Premiums for MPP business should also be reported on the Fully-Insured Premiums Reporting Form.

**Question:** Who is responsible for reporting **stop loss lives for a self-insured plan**, the stop loss carrier or the self-funded group?

**Answer:** The stop-loss carrier, not the self-funded group, must report.