DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850

March 14, 2011

By Email and Regular Mail

David Sky
Life, Accident and Health Actuary
State of New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Re: State of New Hampshire Request for Adjustment to Medical Loss Ratio Standard

Dear Mr. Sky:

Thank you for providing additional information in your March 1, 2011 letter. This was sent in response to the Center for Consumer Information and Insurance Oversight's (CCIIO) February 8, 2011 letter, which requested information necessary to complete the State of New Hampshire's application for an adjustment to the MLR standard for New Hampshire's individual health insurance market. We also thank you for the additional information provided in your supplemental March 1, 2011 letter. This supplemental letter was sent in response to CCIIO's second February 8, 2011 letter, which requested information separate and distinct from the information necessary to complete the State of New Hampshire's request for adjustment to the MLR standard.

We deem New Hampshire's application complete as of the date of this letter. We will make a decision regarding New Hampshire's application within 30 days from the date of this letter. The Secretary may, in her discretion, extend the 30 day review period for as long a time as necessary not to exceed an additional 30 days. Should the application review period be extended, we will alert you as soon as practicable.

While we are deeming the application complete, we have reviewed the information New Hampshire provided in its recent letters, and request further information regarding the items listed below. This information will facilitate the Secretary's determination of the application. We would appreciate receiving New Hampshire's responses within seven (7) calendar days from the date of this letter. The responses should be submitted to MLRAdjustments@hhs.gov.

The items for which we request further information are:

1. Question 7 of our February 8 letter requesting information necessary to complete New Hampshire's application requested the net underwriting profit, after-tax profit, and profit margin for the consolidated businesses in New Hampshire for Chesapeake Life, Time, and John Alden. Your March 1 response to this question indicates that the New Hampshire Insurance Department does not have these requested data. If the New Hampshire Insurance Department does not possess these data, please request these data from issuers. Alternatively, New Hampshire may provide reasonable estimates for these figures using data available to New Hampshire through rate filings, NAIC filings, and any other pertinent material. If New Hampshire chooses to provide estimates, please indicate the assumptions used in making the estimates and provide any supporting analyses for those assumptions.

2. Page 3 of the March 1 attachment labeled "MLRReqdInfoSupport" does not match the information included the March 1 attachment labeled "MLRReqdInfo." For example, the estimated Federal MLRs, credibility adjustments, and rebate estimates differ between the two documents. Additionally, the attachment labeled "MLRReqdInfoSupport" contains data on issuers not included in New Hampshire's spreadsheet received by CCIIO on January 12, for example for Golden Rule, Harvard Pilgrim Health Care, and American Republic Insurance Company. Please reconcile the data discrepancies between these two documents and confirm the correct responses to 45 CFR §158.321(d).

3. Footnote (1) of the March 1 attachment labeled "MLRReqdInfo" indicates that Chesapeake Life did not file 2009 data. Please explain why Chesapeake Life was not required to file data in 2009.

Once again, we appreciate New Hampshire's cooperation in working together to implement the Affordable Care Act. Please feel free to contact the Office of Oversight by email at MLRQuestions@hhs.gov or by phone at (301) 492-4457 if you have any questions or concerns.

Sincerely,

Gary Cohen
Acting Director, Office of Oversight