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

February 8, 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: Request by State of New Hampshire for Adjustment to Medical Loss Ratio Standard

Dear Mr. Sky:

Thank you for the State of New Hampshire's application for an adjustment to the Medical Loss Ratio ("MLR") standard for its individual market. In order for New Hampshire's application to be complete, please provide the information listed below. Please note that the time period for the Secretary to make a determination as to whether to grant New Hampshire's request (45 CFR §158.345) will not begin until all of this information is received.

1. Please indicate any limitations on enrollment period or total enrollment for the New Hampshire Health Plan, as required by 45 CFR §158.321(c). Please also provide premium rates for the products available under the New Hampshire Health Plan.

2. New Hampshire's response to the information required under 45 CFR §158.321(d)(1) includes only information on PPO and FFS plans. Documents available on the State of New Hampshire Insurance Department website indicate that there are companies marketing HMO products in New Hampshire. Please advise if any issuers currently offer HMO products or other applicable health insurance products in the New Hampshire individual market, and if so, please provide the information required by §158.321(d)(1) for these issuers.

3. For each issuer that offers coverage in the New Hampshire individual market, including any that may not have been listed in the original application, please provide the number of individual enrollees and premium data by product, as required by 45 CFR §158.321(d)(1). "By product" requires that the data be delineated based on plan design (*e.g.*, premium rate, deductible, co-insurance, *etc.*).

4. On the last page of New Hampshire's application, footnote (2) in the top of the spreadsheet indicates that Celtic Insurance Company ("Celtic") has an approved product but no reported sales. The spreadsheet does not show that Mega Life and Health Insurance Company ("Mega") has any approved products or reported sales. However, 2009 Annual Statements filed with the NAIC indicate that both Celtic and Mega have enrollment and generate premiums in New Hampshire. The Annual Statements also indicate other issuers that currently offer individual health insurance products in New Hampshire but are not listed in the application. Please confirm that Celtic and Mega do not have enrollment in New Hampshire or, alternatively, please provide the information required under 45 CFR §158.321(d) for these issuers and any other issuers that offer individual coverage in New Hampshire but are not included in the information already submitted.

5. Please provide total agents' and brokers' commission expenses on individual health insurance products, for each issuer that offers coverage in the individual market in New Hampshire to more than 1,000 enrollees, as required by 45 CFR §158.321(d)(2)(iv). If this information is unavailable at the Department, please obtain these data from the issuers.

6. 45 CFR §§158.321(d)(2)(vi) and 158.321(d)(2)(vii) request the net underwriting profit, after-tax profit, and profit margin for the consolidated business in the State for each issuer who offers coverage in the individual market in the State to more than 1,000 enrollees. On the final page of New Hampshire's application (a table that indicates "Section 158.221(d)(1) in the top left cell), the application appears to provide these data for Anthem Health Plans of New Hampshire ("Anthem") for only comprehensive major medical products. If so, please revise these data to include all accident and health lines of business (not just comprehensive major medical products) offered by Anthem in the State of New Hampshire.

7. 45 CFR §§158.321(d)(2)(vi) and 158.321(d)(2)(vii) request the net underwriting profit, after-tax profit, and profit margin for the consolidated business in the State for each issuer who offers coverage in the individual market in the State to more than 1,000 enrollees. On the final page of New Hampshire's application (a table that indicates "Section 158.221(d)(1) in the top left cell), the application appears to provide these data for John Alden Life Ins Co, Time Ins Co, and Chesapeake Life Ins Co on a nationwide basis. If so, please revise this data to include for these issuers:

    a. The combined individual, small group, and large group market lines of business in New Hampshire; and

    b. All accident and health business offered within New Hampshire.

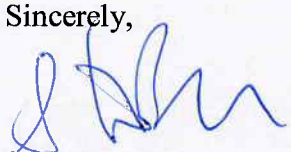
8. On the last page of New Hampshire's application, the Department provides data for each issuer that offers coverage in the individual health insurance market to more than 1,000 enrollees. 45 CFR §158.321(d)(2)(vii) requires reporting of profit margins for these issuers. Please confirm that profit margins are calculated by dividing after-tax profit by earned premium.

9. Please provide in Excel spreadsheet format the information required by 45 CFR §158.321(d), as specified in the OCIIO Guidance issued on December 17, 2010. This guidance is posted on the OCIIO website at http://www.hhs.gov/ociio/regulations/medical_loss_ratio.html.

Please submit the information listed above as soon as practicable to MLRAdjustments@hhs.gov. If these data are unavailable or if the collection of certain data is unduly burdensome, please provide us written notice and we will consider either requesting alternative supporting data or moving forward with our determination, as provided by 45 CFR §158.320.

Please note that the time frame for the Secretary to determine whether to grant New Hampshire's request for an adjustment to the MLR standard for its individual market begins once the complete application is received, as provided in 45 CFR §158.345. Thank you in advance for your prompt reply. We look forward to working together to implement the Affordable Care Act. If you have any questions during this process, please contact the Office of Oversight by email at MLRQuestions@hhs.gov or by phone at (301) 492-4457.

Sincerely,



Steven Larsen
Deputy Administrator and Director,
Center for Consumer Information
and Insurance Oversight