



**The State of New Hampshire
Insurance Department**

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Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

BULLETIN
Docket No.: INS No. 09-019-AB

To: All New Hampshire Licensed Health Insurance Companies, Health Maintenance Organizations, Fraternal Benefit Societies and Third Party Administrators

From: Roger Sevigny

A handwritten signature in black ink, appearing to read "R. Sevigny".

Date: March 12, 2009

Subject: New Hampshire HealthFirst Standard Wellness Plan Implementation

Questions have been raised concerning the implementation of RSA 420-G:4-b, the New Hampshire HealthFirst Standard Wellness Plan. In 2008, the General Court enacted this statute to promote the availability of more affordable health coverage to the small group market. The statute provides that the standard wellness benefit plan be made available to small employer groups on October 1, 2009, or as soon as practicable thereafter.

The process set forth in the statute for developing the standard wellness benefit plan requires the commissioner to seek input from a standing advisory committee composed of representatives of business, consumers and government. The standard wellness plan developed by the commissioner in conjunction with the advisory committee shall be established to meet a target rate that is 10 percent of the prior year's median wage. The statute provides that "in order to assist the advisory committee in making its recommendations, the commissioner shall engage an actuarial expert at the expense of the small employer carriers that are subject to RSA 420-G:4-b, II to confirm that the proposed standard wellness plan requirements are reasonable in relation to the target health plan coverage rate."

As drafted, the statute contemplated that actuary retained by the commissioner at the expense of the carriers would provide a measure of assurance to the carriers that the

benefit plan developed by the advisory group reasonably could be offered at the target rate. In implementing the statute, the commissioner elected to retain at the department's expense an actuary as a benefit consultant to work with the advisory group and to inform the advisory group specifically of the cost implications associated with the benefit structure, the wellness incentive plan, and the cost sharing requirements. The actuarial analysis that supported the development of the benefit design has been posted on the department's website. In addition to retaining an actuary to work directly with the advisory committee, the commissioner also retained an actuary to be paid by the small group carriers to conduct an actuarial analysis of the reasonableness of the proposed standard wellness plan benefits in relation to the target premium. The commissioner terminated the contract with the reviewing actuary due to concerns with the quality of the analysis provided.

Questions have now been raised whether the statute requires an additional actuarial review before it can be implemented. By this bulletin, the small group carriers are advised that an additional actuarial review will not be conducted and that the small group carriers will be expected to submit rate filings that meet the target rate. In order to allow sufficient time to conduct hearings in the event that the small group carriers' rate filings do not meet the target rate, the small group carriers shall be required to submit their rate filings for the standard wellness plan by May 4, 2009. Hearings on the rate filings will be conducted separately with each carrier that is subject to RSA 420-G:4-b, II and will be closed to ensure that confidential business information is not compromised. Should the Commissioner determine after conducting the hearings that changes must be made to the standard wellness plan to meet the target rate, an advisory committee meeting will be held in June 2009.

The Commissioner shall require that the carriers' filings meet the guidelines that the Department will post on its website. It should be noted that the standard wellness plan approved by the advisory committee has been modified by removing the second and third year wellness incentive payment of \$500.00 to those persons who participate in chronic care management programs and comply with all requirements. This incentive payment has been removed due to potential legal problems pertaining to federal prohibition against discrimination based on health factors. All other provisions of the standard wellness plan as approved by the Advisory Committee shall be included in the benefit design.

Questions on this bulletin should be directed to Leslie Ludtke.