CONFIDENTIAL TREATMENT REQUESTED
September 5, 2014

The Honorable Tim Murphy
Chairman
U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Murphy:

On behalf of [redacted], I am submitting [redacted] response to your letter dated June 27, 2014 ("Letter") regarding additional questions submitted for the record by Members further to the May 7, 2014 hearing entitled "PPACA Enrollment and the Insurance Industry".

Background Information. [redacted]

About this Submission. [redacted] is voluntarily complying with the Committee's request as set forth below. This response was prepared to the best of our abilities in order to comply with the Committee's requests within the Committee's timeframe. Given that timeframe, and the extensive scope of [redacted] business, [redacted] could not conduct a comprehensive search of all information that could be potentially responsive, but instead focused on obtaining relevant information in the possession of those employees most likely to have information pertaining to the subject matter of this inquiry. We have made good faith interpretations regarding the scope of the requests, and we have specified them in our response.

Many of the questions contained in the Members' inquiries go beyond my knowledge and area of expertise. Accordingly, I have relied on staff in various parts of our company to supply data and information that responds to many of the inquiries.

Confidentiality. [redacted] respectfully requests that all responsive information attributable to [redacted] be treated as confidential. To the extent the Committee intends to publicly disclose any responsive information, [redacted] further respectfully requests that the Committee do so in a

aggregate form. To the extent possible, we further request that the Committee notify our company in advance of any such disclosure so that appropriate communications and business measures may be put in place to protect our business.

Responsive Information

Attachment 1 – Additional Questions for the Record

The Honorable Michael C. Burgess

1. ***While some of the basic problems with the front-end components that individuals face on HealthCare.gov have been addressed, numerous news sources continue to report that problems still plague the back-end systems that affect insurers.***

    a. ***Have any significant improvements been made to these components?***

From our experience, improvements are being gradually made and work is ongoing to address remaining problems that affect insurers. The sequencing of some of the improvements, although they may be "significant" in nature, may not have always coordinated with the timing of insurer needs.

    b. ***How will these continued problems affect plan participation and premiums for 2015?***

We do not know and we cannot speculate at this time as to if or how issues with the back-end systems will affect plan participation and premiums for 2015.

2. ***834 transmissions provide insurers with enrollment information for individuals from HealthCare.gov. It has been repeatedly reported that there are numerous errors in these transmissions with failure rates of over 30%.***

    a. ***Has this been your experience?***
    b. ***What is your estimation of the failure rate?***
    c. ***Has the failure rate improved over time and by how much?***

We have experienced a number of difficulties in 834 transmissions, particularly due to CiC (Change in Circumstance) transactions. These difficulties have increased over time. While we are not sure what is specifically meant by "errors" or "failure rate" in your question, we believe the 30% figure above to be reasonably reflective of our experience on overall issues we have generally experienced to date with 834 transmissions.

    d. ***What problems has this caused for your companies, your enrollees, and contracted providers?***

We have experienced delays in enrolling members and delays in processing maintenance transactions (CiCs). We have significantly increased the number of employees needed to

manually process CiC transactions and to field more extensive calls than previously anticipated from our members.

3. ***Due to problems with the 834 transmissions, there have been reports and witness testimony about a large number of duplicate enrollments.***

    a. ***Do you have an estimation of the number of duplicate enrollments in your systems?***

We have in place matching programs to prevent enrolling duplicates in our systems. However, we are still receiving duplicate enrollments from the Marketplace. Our estimate of the number of duplicate enrollments is approximately 5% at this time.

    b. ***Do you think the Administration has included duplicate enrollments in their enrollment totals?***

We do not have any information on which we can respond to this question as we do not know what is included in the Administration's figures.

4. ***The Obama Administration issued a final regulation in 2012 saying that enrollees would enter a 90-day grace period for non-payment of premiums before their coverage is terminated. The final rule stipulates that insurers only have to pay valid claims for the first 30 days of the 90-day grace period.***

    a. ***If enrollees do not continue to pay their premiums and they enter a grace period, do you plan to pay providers for claims during the entirety of the grace period?***

During the grace period, we pay all appropriate claims rendered to the member during the first month of the grace period and we may pend certain claims for services rendered in the second and third month of the grace period. We also must notify HHS of such non-payment.

    b. ***If you do not pay the claims, who will make providers whole?***

The providers are notified of delinquent accounts at the time they make an eligibility and benefits inquiry and are notified that claims may not be paid as a result.

    c. ***Do you have a reconciliation process with providers for recouping payments made for claims incurred during a grace period?***

Yes.

    d. ***Do you have any data on the number of enrollees who fail to pay their premiums after the first month? If so, please provide this data.***

As of August 1, 2014, we had approximately 68,500 policies in the three-month grace period.

5. ***One of the major concerns raised about the implementation of the law is that individuals may stop paying their premiums at some point, enter a 90-day grace period and eventually their coverage will be canceled due to nonpayment.***

   a. ***Do you know how many enrollees are currently covered but behind on paying their premiums?***

As of August 1, 2014, we had approximately 68,500 policies in the three-month grace period. The three-month grace period is only applicable to those receiving a premium tax credit.

   b. ***The law says that you must provide this information to HHS. Are you doing so?***

Yes. We send Termination and Cancellation notices to CMS for non-payment.

   c. ***What is the process for communicating with providers when enrollees enter a grace period?***

We have several processes available to our providers for making inquiries including interactive voice response (IVR) and online systems.

6. ***Because of the significant back-end issues with HealthCare.gov, there is a strong possibility for inaccurate premium subsidies being paid to insurers from the federal government. The Washington Post recently reported that the federal government is likely providing inaccurate premium subsidies to more than one million new enrollees.***

   a. ***Is there a reconciliation process in place to either recoup payments that were too low or return payments that were too high?***

Yes. Adjustments are made to subsidies when an error is discovered and we receive an updated record from HHS and update internally.

   b. ***Please describe the process if there is a process in place.***

We file restated numbers each month reflecting any new values for January 2014 through the current reporting period. Any adjustments will retroactively be included in the resubmission for the applicable months. We receive (or return) the difference between what was received in prior months and the current restatement.

   c. ***If there is a process, have any miscalculated payments been reconciled?***

We have reported adjustments monthly in the form of resubmitted data at the Qualified Health Plan level.

   d. ***If miscalculated payments have been reconciled, how many have been processed?***

We do not track adjustments at the member level.

e. ***Please provide an estimation for the administrative cost of these miscalculations if possible.***

We do not track administrative costs related to this issue.

f. ***How might the miscalculation of payments affect plans for the next year in terms of participation or premiums?***

We do not track potential impact on participation or premiums.

7. ***If a provider calls your company for information on the health care law, what resources or information is your company able to provide?***

We have a wide variety of resources and informational materials on the health care law including online resources, educational materials, and knowledgeable customer service representatives.

8. ***How much has your company been paid to date in premium tax credits?***

Discussions with Committee staff regarding our response to this inquiry are ongoing at this time. Additionally, we would be happy to meet with Representative Burgess or his staff in person to discuss this question.

9. ***How many plans has your company sold off-exchange in 2014? Provide this information for each state in which you sell.***

Responsive information was previously provided to the Committee staff on July 1, 2014, with a request for confidential treatment. We respectfully reiterate our request for confidential treatment of this information, and ask that it not be disclosed publicly.

10. ***If people have not paid the first month's premium for their policy, then they are not actually covered even if they believe they are enrolled. There have been reports of [redacted] clinics being put on hold for hours by [redacted] attempting to verify enrollment before they can actually treat patients with Exchange coverage.***

a. ***Have the numerous issues with HealthCare.gov contributed to this backlog?***

Yes, they have. Our experience has shown that calls from our members are heavier in volume and more complicated in nature as members are trying to understand the enrollment process and their options. It takes our highly trained representatives longer processing time to fully respond to each of our members' inquiries. We have significantly increased our staffing to accommodate all of our members as promptly as possible and regret any delays they may have experienced.

b. ***What is [redacted] doing to ease this burden on providers?***

We have provided multiple avenues for provider inquiries including Interactive Voice Response (IVR) and online processes. We have made significant investments in customer service,

education and technology to address these issues including increased staffing and training protocols.

The Honorable Pete Olson

1. ***In your experience, has CMS built the operation function to pay health plans participating in the Federally Facilitated Marketplace? Specifically are the Advanced Premium Tax Credit and the Cost Sharing Reduction payment amounts currently working?***

In our view, the systems are working and we anticipate will be on a path of continued improvement as the Marketplace evolves.

2. ***Are you aware of how CMS accounts for the monies collected by the Federally Facilitated Marketplace user fee? If so, then in your experience how does the money generated by this fee used for the operation of the Federally Facilitated Marketplace?***

We do not know how CMS manages the money related to user fees.

3. ***Last year the President apologized for the plans cancelled by the health care law and offered a delay of the enforcing of the requirement that led to the cancellations. This delay has since been extended. How many plans do you currently offer that do not meet the law's requirements but you are continuing to offer as a result of this policy? Provide this information by the number of plans in each state and the total for your company nationwide.***

For [redacted], only [redacted] policies were impacted by this particular policy. We estimate around 63,000 policies in [redacted].

The Honorable Cory Gardner

1. ***How many plans offered by your company did you cancel or discontinue in 2013 because of the health care law? Provide this information by the number of plans in each state and the total for your company nationwide***

Discussions with Committee staff regarding our response to this inquiry as well as the following two inquiries are ongoing at this time.

2. ***How many plans did your company offer early renewal to in 2013 so they could continue in 2014 that would have otherwise been cancelled, ended, or otherwise modified by the health care law? Provide this information by the number of plans in each state and the total for your company nationwide.***

3. ***Last year the President apologized for the plans canceled by the health care law and offered a delay of the enforcing of the requirements that led to the cancellations. This***

delay has since been extended. How many plans do you currently offer that do not meet the law's requirements but you are continuing to offer as a result of this policy? Provide this information by the number of plans in each state and the total for your company nationwide.

The Honorable Morgan Griffith

1. ***One of the most troubling side-effects of Obamacare is happening across the country to patients who have found that their physicians - particularly specialists – are not part of their new health plan networks. During the open enrollment period for PPACA, individuals had limited information about whether their doctors were covered in a particular plan. Once enrolled, far too many of my constituents are faced with a difficult choice – give up their specialist or pay the high cost sharing required for out-of-network physicians.***

a. ***What can I tell my constituents to do in the next open enrollment period to determine which specialists are covered in their Exchange plans?***

b. ***What kind of information about provider networks will be available to help them choose a plan?***

c. ***What is your company doing to improve transparency about provider networks next year to make it easier for patients to keep access to their existing specialists?***

When customers choose a new health insurance plan through the exchange, they are given information about the doctors and hospitals included in each plan offered. We make the network information accessible to purchasing members before they select our products so that they can make the choice that is right for them. [redacted] goal is to expand access to quality, cost-effective health care to as many people as possible in every part of the states in which we operate. We offer a variety of network configurations to provide our members the greatest choice while providing quality network choices and great service at different price points to meet their individual needs. We also have customer service representatives available to assist members should they have questions about a particular physician or hospital's participation in a network.

Attachment 2 – Member Requests for the Record

The Honorable Tim Murphy

1. ***Provide information on the number of plans your organization has sold in the Federally-Facilitated Marketplace.***

Responsive information was previously provided to the Committee staff on April 18, 2014, with a request for confidential treatment. We respectfully reiterate our request for confidential treatment of this information, and ask that it not be disclosed publicly.

2. ***Provide any analysis conducted by your organization in 2012, 2013 or 2014 on the impact of the Patient Protection and Affordable Care Act on the premiums paid by consumers. Provide any other analysis conducted on deductibles, out of pocket costs, or the networks your company provides for plans sold on the Federally-Facilitated Marketplace or state exchanges.***

The scope of this request involves proprietary and competitively sensitive information, as I explained at the May 7 hearing. Discussions with Committee staff regarding our concerns are ongoing at this time.

The Honorable Marsha Blackburn

1. ***Submit to the Committee any analysis conducted by your organization or by another party for your organization on premiums for plans sold in the Federally-Facilitated Marketplace, state marketplaces, or off the federal or state exchanges in 2015.***

The scope of this request involves proprietary and competitively sensitive information, as I explained at the May 7 hearing. Discussions with Committee staff regarding our concerns are ongoing at this time.

The Honorable Michael C. Burgess

1. ***Provide a list of individuals from your organization that have met with White House officials, including but not limited to the President, in 2014 to discuss the Patient Protection and Affordable Care Act. Include the date of the meeting, the location, and the individuals present at the meeting. Provide all documentation, including email, relating to these meetings. This would include, but is not limited to, correspondence setting up the meeting, materials prepared in preparation for the meeting, materials distributed or obtained at each meeting, and materials prepared afterwards summarizing or discussing the meeting.***

On April 17, 2014, our CEO [redacted] attended a meeting at the White House with the President. As I explained at the May 7 hearing, I was not in attendance at that meeting. We

would, however, be happy to meet with Representative Burgess or his staff in person to discuss to the extent we can any particular issues he may have related to this topic.

The Honorable Morgan Griffith

1. ***Provide a list of the states in which you will provide coverage on the federal or state exchange in 2015 and the date on which you will submit your 2015 premium rate filings. List the individuals in the federal or state government to which you will be submitting this information. Provide copies of those submissions to the Committee as they occur.***

We will offer coverage on the federal or state exchange in 2015 in [redacted] As the rate filings are highly proprietary and confidential, and because they are not yet finalized and approved, [redacted] will produce the finalized filings as they are approved and become public.

If you have any questions about this response, please contact [redacted]

Sincerely,

[redacted]
Senior Vice President and Chief Marketing Officer
[redacted]

cc (w/enclosure): The Honorable Fred Upton, Chairman
The Honorable Henry A. Waxman, Ranking Member
The Honorable Diana DeGette, Ranking Member, subcommittee on Oversight and Investigations