

State: Washington **Filing Company:** Moda Health Plan, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Association or member-governed true employer group under 29 U.S.C. Section 1002(5) of ERISA - Health Alliance (Alltech) for Technology Health Trust
Project Name/Number: Fully Negotiated Health Alliance (Alltech) for Technology Health Trust/2014-10-01

Filing at a Glance

Company: Moda Health Plan, Inc.
Product Name: Association or member-governed true employer group under 29 U.S.C. Section 1002(5) of ERISA - Health Alliance (Alltech) for Technology Health Trust
State: Washington
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: Rate
Date Submitted: 02/13/2014
SERFF Tr Num: ODSV-129411916
SERFF Status: Closed-Disapproved
State Tr Num: 267322
State Status: Disapproved
Co Tr Num: 2014-10-01-WA-R

Implementation Date Requested: 01/01/2014
Author(s): Mei-Kuen Wu, Andrea Silano Sayers, Jennifer Halttunen, Kirsten Staveland, Brenda Noble, Scott Curran, Dave Nesseler-Cass, Henry Stender, Matt Abrams, Tim Keller, Mel Mann
Reviewer(s): Lichiou Lee (primary)
Disposition Date: 12/16/2014
Disposition Status: Disapproved
Implementation Date:

State Filing Description:

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General Information

Project Name: Fully Negotiated Health Alliance (Alltech) for Technology Health Trust
 Project Number: 2014-10-01
 Requested Filing Mode: File & Use
 Explanation for Combination/Other:
 Submission Type: New Submission
 Group Market Type: Association
 Filing Status Changed: 12/16/2014
 State Status Changed: 12/16/2014
 Created By: David Liebert
 Corresponding Filing Tracking Number: ODSV-129400351
 Status of Filing in Domicile: Not Filed
 Date Approved in Domicile:
 Domicile Status Comments: Not filed in state of domicile since this filing only applies to a WA negotiated group.
 Market Type: Group
 Group Market Size: Large
 Overall Rate Impact:
 Deemer Date:
 Submitted By: David Liebert
 PPACA: Not PPACA-Related
 PPACA Notes: null
 Include Exchange Intentions: No

Filing Description:

This is a large group medical form filing from Moda Health Plan, Inc. (Moda Health) for a fully negotiated contract. Health Alliance (Alltech) for Technology Health Trust has contracted with Moda Health to provide health coverage to its participating employers. The date the group contract negotiations were completed and became effective was January 1, 2014. The Group offers 20 medical plan options and 4 drug options.

Per the General Requirements for Health Care Service Contractors From Filings (Washington State SERFF Health and Disability Form Filing General Instructions 12/11/2013) we are submitting the following information:

-An Evidence as an Employer document in the supporting documentation tab. This document includes the by-laws, trust agreement, history statement, a copy of the occupational categories, an opinion letter from an attorney explaining how and why the association qualifies as a true employer under 29 U.S.C Section 1002(5) of the Employee Retirement Income Security Act (ERISA) of 1974, and a Certification of Trustee document (as referenced in the attorney's letter). On page 56 of the document, you will find a letter

Thank you for review of this filing.

Company and Contact

Filing Contact Information

David Liebert, Manager, Underwriting & Actuarial david.liebert@modahealth.com
 601 SW Second Ave. 503-265-5701 [Phone]
 Portland, OR 97204

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Filing Company Information

Moda Health Plan, Inc.	CoCode: 47098	State of Domicile: Oregon
601 SW Second Ave.	Group Code: 1313	Company Type:
Portland, OR 97204	Group Name:	State ID Number: 176
(503) 265-4703 ext. [Phone]	FEIN Number: 93-0989307	

Filing Fees

Fee Required? No
 Retaliatory? No

Fee Explanation:

State Specific

If you are filing a Healthcare or Disability filing, is the Co Tracking # field populated on the General Information Tab? If no, your filing will be rejected. (yes/no): Yes

Form Tab Only - Are the Form # and Form Description fields populated corresponding to the attached form? (yes/no): Yes

If your are submitting a File and Use product, have you populated the Implementation Date field? (yes/no): Yes

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Lichiou Lee	12/16/2014	12/16/2014

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Active Suspense	Lichiou Lee	11/24/2014	11/24/2014
Active Suspense	Lichiou Lee	09/08/2014	09/08/2014
Active Suspense	Lichiou Lee	04/16/2014	04/16/2014

Response Letters

Responded By	Created On	Date Submitted
Tim Keller	12/03/2014	12/03/2014
David Liebert	09/26/2014	09/26/2014
David Liebert	05/28/2014	05/28/2014

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Response to Objections dated 4-16-2014	David Liebert	05/29/2014	05/29/2014

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Extension Request	Note To Filer	Lichiou Lee	09/23/2014	09/23/2014
Extension Request #2	Note To Reviewer	David Liebert	09/23/2014	09/23/2014
Extension Request	Note To Filer	Lichiou Lee	05/15/2014	05/15/2014
Extension Request	Note To Reviewer	David Liebert	05/14/2014	05/14/2014
Courtesy phone message indicating corrections for the rate assoc filings.	Note To Filer	Deysi Reitz	02/14/2014	02/14/2014
Filing is okay as submitted,	Reviewer Note	Deysi Reitz	02/18/2014	

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Disposition

Disposition Date: 12/16/2014

Implementation Date:

Status: Disapproved

HHS Status: HHS Denied

State Review: Reviewed by Actuary

Comment: Your rate and form filings for Health Alliance (Alltech) for Technology Health Trust are disapproved and closed under the authority of RCW 48.44.020(2)(f) and (3).

We have determined that based upon the materials submitted, the association does not meet the criteria set forth in federal law to be designated an "employer" under ERISA, and is not eligible to purchase large group coverage for its employer-member regardless of size. Please see the attached letter from the Deputy Insurance Commissioner for Legal Affairs.

In addition the rating methodology and rates filed on behalf of Alltech Information Technology Group and Health Alliance (Alltech) for Technology Health Trust are inconsistent with the fact that you filed one single large employer group.

In the rate schedule, there are 60 Risk Levels for each plan design. For example, for the benefit plan Prime 0 w/\$10/\$0/90%1, an employee can be charged a monthly rate ranging from \$224.64.17 to \$716.20. In our rate objections, we asked you to explain in detail how you define a "Risk Level" and the factors used to assign an employee to a Risk Level. We also asked you to provide detailed calculations of the rates assigned to each Risk Level. Your response to the first objection letter indicated that you have separately rated various "purchasing employers" within Alltech Information Technology Group for purchase of benefits from the Health Alliance (Alltech) for Technology Health Trust. You also stated that all employees "within a single purchasing employer" will receive the same Risk Level. This means that your rates filed are for various "employers" - contrary to your form filing for one employer only.

We also asked you to identify the bona fide employment-based classifications upon which the 60 Risk Levels are based (per 26 CFR § 54.9802-1(d).) (Examples for bona fide employment-based classifications include current versus former employees, and employees located in different geographic areas.) Your response failed to identify how each Risk Level is related to bona fide employment-based classifications.

This tells us that your rate and form filings do not comply with minimum provisions. Your filings also show rates filed for various "employers" that are unreasonable in relation to the amount charged for the contract for one single employer. Therefore, your rate and form filings are disapproved and closed under the authority of RCW 48.44.020(2) (f) and (3).

As a result of this disapproval, it is necessary for all current enrollees to be transitioned to ACA compliant plans as soon as possible. You must commence

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discontinuation of the disapproved plans, providing timely discontinuation and replacement notices to all affected enrollees for this transition. Please contact the Deputy Insurance Commissioner for Rates and Forms to discuss your plan to transition current enrollees to ACA compliant plans, including the proposed discontinuation notice and replacement schedule.

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Disability Associations		Yes
Supporting Document	Disability Rates		Yes
Supporting Document	HCSC Rates		Yes
Supporting Document	PPACA Exemption Request		Yes
Supporting Document	Certification of Plan Eligibility		Yes
Supporting Document (revised)	Evidence as an Employer		Yes
Supporting Document	Evidence as an Employer		Yes
Supporting Document	WAC 284-43-950		Yes
Supporting Document (revised)	Response to Objections dated 4-16-2014		Yes
Supporting Document	Response to Objections dated 4-16-2014		Yes
Supporting Document	Response to Objections dated 9-8-2014		Yes
Rate (revised)	Rate Schedules 2014 v2.pdf		Yes
Rate	Rate Schedules 2014 v1.pdf		Yes



OFFICE OF
INSURANCE COMMISSIONER

December 16, 2014

RE: Alltech Information Technology Group
Health Alliance (Alltech) for Technology Health Trust
Rate Filing State Tracking ID: 267322
Form Filing Tracking ID: 267302

Dear Moda:

The Office of the Insurance Commissioner's Legal Affairs division has reviewed the association materials submitted in support of the large group filing for Alltech Information Technology Group. In order to qualify as an "employee welfare benefit plan", a plan must, among other criteria, be established by an "employer" within the meaning of section 3(5) of ERISA. A "bona fide group or association of employers" may qualify as an employer, grounded on the premise that the association is tied to the participating employers and employees by a genuine organizational relationship unrelated to the provision of benefits.

Based upon the materials submitted, the association does not meet the criteria set forth in federal law to be designated a "bona fide" association, and is not eligible to purchase large group coverage for its employer-members regardless of size.

If you are aggrieved by this decision, the Revised Code of Washington (RCW) 48.04.010 permits you to demand a hearing. You must demand a hearing in writing within **90** days after the date of this decision or you will waive your right to a hearing. Your demand for a hearing should be sent to the following address and must briefly state how you are harmed by this decision and why you disagree with it:

Hearing Unit
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Sincerely,

A handwritten signature in blue ink, appearing to read "AnnaLisa Gellermann", with a long horizontal flourish extending to the right.

AnnaLisa Gellermann
Deputy for Legal Affairs
Office of the Insurance Commissioner

ckm/shm

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Objection Letter

Objection Letter Status	Active Suspense
Objection Letter Date	11/24/2014
Submitted Date	11/24/2014
Respond By Date	12/03/2014

Dear David Liebert,

Introduction:

Please respond to the following objections by the Respond By date. Please include all relevant facts and circumstances.

Objection 1

- Rate Schedules 2014 v2.pdf, [] (Rate)

Comments: You filed health plans for this association that rely on the association meeting federal criteria for a true employer. We must verify that you have rated the association as a single large employer. Please note that we are making the following three rate objections based on the assumption that the association meets the federal criteria for a true employer, which has not yet been determined.

Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the 60 risk levels are based.

Objection 2

- Rate Schedules 2014 v2.pdf, [] (Rate)

Comments: Please provide how the employer (the association) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

Objection 3

- Rate Schedules 2014 v2.pdf, [] (Rate)

Comments: Please provide how this classification is consistent with the employers (the associations) usual business practice.

Conclusion:

Sincerely,
Lichiou Lee