

**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 - Greater Northwest Health Industry Benefits Trust  
**Project Name/Number:** Unique Application -Greater Northwest Health Industry Benefits Trust/2014-10-14-WA

### 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 - Greater Northwest Health Industry Benefits Trust  
**State:** Washington  
**TOI:** H16G Group Health - Major Medical  
**Sub-TOI:** H16G.002A Large Group Only - PPO  
**Filing Type:** Form  
**Date Submitted:** 09/09/2014  
**SERFF Tr Num:** ODSV-129711308  
**SERFF Status:** Closed-Disapproved  
**State Tr Num:** 275446  
**State Status:** Disapproved  
**Co Tr Num:** 2014-10-14-WA  
  
**Implementation Date Requested:** 10/01/2014  
**Author(s):** Mei-Kuen Wu, Andrea Silano Sayers, Jennifer Halttunen, Brenda Noble, Scott Curran, Dave Nessler-Cass, Henry Stender, Matt Abrams, Michelle Dodge  
**Reviewer(s):** Wendy Conway (primary)  
**Disposition Date:** 12/16/2014  
**Disposition Status:** Disapproved  
**Implementation Date:**  
  
**State Filing Description:**

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## General Information

Project Name: Unique Application -Greater Northwest Health Industry Benefits Trust Status of Filing in Domicile: Not Filed  
 Project Number: 2014-10-14-WA Date Approved in Domicile:  
 Requested Filing Mode: File & Use Domicile Status Comments: Not filed in state of domicile since this filing only applies to a WA group.  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Large  
 Group Market Type: Trust Overall Rate Impact:  
 Filing Status Changed: 12/16/2014  
 State Status Changed: 12/16/2014 Deemer Date:  
 Created By: Brenda Noble Submitted By: Brenda Noble  
 Corresponding Filing Tracking Number:  
 PPACA: Not PPACA-Related  
 PPACA Notes: null  
 Include Exchange Intentions: No

### Filing Description:

This filing is specifically for a revised master group application. The application is applicable for 2015. The Trust filing is under State tracking number 267287. The status is Review Pending. A group application was submitted under filing 267287. The trust has 1,328 employees, 845 employees are enrolled and 1,433 total members are enrolled.

Modifications to the application for 2015 are found in the Base Product Selections section (the layout has changed), the layout of the Rate section, an addiitonal orientation period option in the Probationary/Introductory Period Information section, the COBRA administration section, addition of an Account Manager Email to the Signature section, and changes to the Submission Checklist. A highlighted copy of the previously filed application is submitted on the Supporting documentation tab.

A custom application certification is submitted on the supporting documentation tab.

Thank you for review of this filing.

## Company and Contact

### Filing Contact Information

Brenda Noble, Regulatory Analyst II [brenda.noble@modahealth.com](mailto:brenda.noble@modahealth.com)  
 601 SW Second Avenue 503-412-4036 [Phone] 4036 [Ext]  
 Portland, OR 97204 503-265-4790 [FAX]

### 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

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## 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

**SERFF Tracking #:**

ODSV-129711308

**State Tracking #:**

275446

**Company Tracking #:**

2014-10-14-WA

**State:**

Washington

**Filing Company:**

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## Correspondence Summary

### Dispositions

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

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Customer App/Enr Associated Employees Trust - Greater Northwest Health Industry Benefits Trust	Mei-Kuen Wu	09/10/2014	09/10/2014

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Opportunity to correct	Note To Filer	Alyson Bragg	09/10/2014	09/10/2014

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## Disposition

Disposition Date: 12/16/2014

Implementation Date:

Status: Disapproved

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HHS Status: HHS Denied

State Review:

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Comment: Your rate and form filings for Greater Northwest Health Industry Benefits 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 Greater Northwest Health Industry Group and Greater Northwest Health Industry Benefits 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 0-90/70, an employee can be charged a monthly rate ranging from \$233.17 to \$707.79. 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 the Greater Northwest Health Industry Group for purchase of benefits from the Greater Northwest Health Industry Benefits 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	Group Form Filing Requirements - L&D, HCSC		Yes
Supporting Document	PPACA Exemption Request		Yes
Supporting Document	Custom Enrollment/Application Certification		Yes
Supporting Document	highlighted copy of prior application		Yes
Form (revised)	Customer App/Enr Associated Employes Trust - Greater Northwest Health Industry Benefits Trust		Yes
Form	Customer App/Enr Associated Employes Trust - Commercial Contruction Health and Welfare Trust		Yes



OFFICE OF  
INSURANCE COMMISSIONER

December 16, 2014

RE: Greater Northwest Health Industry Group  
Greater Northwest Health Industry Benefits Trust  
Rate Filing State Tracking ID: 267319  
Form Filing Tracking ID: 267287

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 Greater Northwest Health Industry 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".

AnnaLisa Gellermann  
Deputy for Legal Affairs  
Office of the Insurance Commissioner

ckm/shm