

Illinois Department of Insurance
Enhanced Premium Rate Review Program
Grants to Support States in Health Insurance Rate Review- Cycle II (CFDA: 93.511)
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PREMIUM RATE REVIEW PROJECT ABSTRACT

On behalf of the state of Illinois, the Illinois Department of Insurance (DOI) hereby submits the grant application for the *Grants to Support States in Health Insurance Rate Review- Cycle II* (CFDA 93.511). In this application for the *Enhanced Premium Rate Review Project*, we have laid out a framework for expanding and improving the Department's current rate review program. First, the Department will enhance the current review of private health insurance premium rate activities. Second, the Department will enhance consumer protections and marketplace efficiency. Finally, the Department will expand statewide understanding of the Illinois health care economy, including where and how premiums pay for health care.

In order to improve the performance, transparency, and accountability of the private health insurance marketplace, the Department will continue to collect and publicly disclose health insurance rates. Carriers that pursue rate increases that the Department deems to be unreasonable will have to publicly disclose this information on their website. The Department's current program will be further expanded to allow for the analysis of data provided by insurers to identify marketplace trends. The Department will continue to engage stakeholders and the people of Illinois in a collaborative effort to address the rising cost of health insurance coverage.

The proposed budget for Cycle II is 3,531,085.31. This grant application identifies and proposes to fund key staff to lead this effort and milestones that will be achieved. This application clearly delineates the responsibilities of those who will be charged with expanding the rate review program. Additionally, this application proposed the use of outside IT consultants to perform some of the technological upgrades necessary for implementation of the program. This application also outlines the Department's strategy to reach consumers to ensure that citizens of Illinois are engaged and informed.

Illinois' families and small business have long suffered the consequences of a dysfunctional marketplace for health insurance coverage. The resources provided through this opportunity will enable the Department to better support a competitive, functioning health insurance marketplace.

Illinois Department of Insurance

Enhanced Premium Rate Review – Project Narrative

Grants to Support States in Health Insurance Rate Review—Cycle II

CFDA: 93.511

August 15, 2011

Project Manager: David Grant

a) **Past Progress and Current Rate Review Program**

General Health Insurance Information

Illinois law currently requires that all insurance companies and all agents/brokers selling insurance products in Illinois be licensed and regulated by the Department of Insurance (“the Department”). 215 ILCS 5/1 *et seq.* Insurance companies in Illinois sell a variety of major medical health insurance products, including health maintenance organization (HMO) plans, preferred provider organization (PPO) plans, and indemnity plans.¹ These products are available in all markets (individual, small group, and large group). Illinois has an entirely for-profit health insurance industry.

Plans sold in the small group market are subject to the Small Employer Health Insurance Rating Act (“SEHIRA”). 215 ILCS 93 *et seq.* SEHIRA limits the amount by which premiums charged to small employers can vary due to an employer’s health status or claims experience as follows:

- The premium charged to an individual small employer cannot vary from the “index rate” (*i.e.* the arithmetic mean of the lowest and highest premium rate that is charged or that could be charged to employers with the same or similar “case characteristics” within a class of business) by more than 25 percent; and
- The index rate for a class of business cannot vary by more than +/- 20 percent from the index rate for any other class of business.

SEHIRA does not limit premium variation due to “case characteristics” such as gender, age, and geography. SEHIRA nominally limits premium increases, as the premium increase for an individual small employer cannot exceed the sum of the following factors:

1. The percentage change in new business premium rate;
2. A maximum increase of 15 percent due to changes in health status, claims experience, or duration of coverage; and
3. Any adjustment due to change in case characteristics from the previous year, or to a change in coverage.

Small employer carriers are required to annually submit an actuarial certification to the Director of Insurance that certifies that the carrier is in compliance with SEHIRA, and that the rating methods are actuarially sound.

Rate Review and Filing Requirements

During Cycle I of this grant program, Illinois was awarded \$1 million in grant funds to expand the Department’s premium rate review program. The Department has made considerable progress in this endeavor.

¹ For purposes of this application, the terms “health insurance” and “health insurance products” refer to the definitions established under the Patient Protections and Affordable Care Act (P.L. 111-148, the “Affordable Care Act.”)

Illinois Department of Insurance
Grant Application for Health Insurance Rate Review - Cycle II (CFDA: 93.511)

In December 2010, the Department issued Company Bulletin 2010-08 requiring all carriers to file a schedule of base rates and supporting actuarial documentation. (*See Appendix A*). In February 2011, the Department launched an internal portal through which carriers could electronically submit rates and actuarial memoranda.

As a result, the Department receives filings from carriers through the System for Electronic Rate and Form Filing (SERFF)² and the Illinois-specific Premium Rate Review web portal (“portal”). Accompanying each filings is a Rate Data Collection Form, which is a standardized form that requires issuers to provide information on premium increases, loss ratios, earned premiums, paid claims, and incurred claims. (*See Appendix A*).

Rate filings are also accompanied by an actuarial memorandum, which typically includes information such as:

- The major cost components, experience, assumptions, and procedures used to develop the submitted rates;
- A brief description of the benefits provided by the policies;
- A brief explanation of the new rates and the reason for the rate changes;
- Data on recent experience under the policies (including loss ratios);
- A history of rate changes under the policies going back a certain number of years;
- An anticipated loss ratio; and
- An actuarial certification attesting that the filing complies with the applicable laws of Illinois and the benefits are reasonable in relation to the premiums charged.

Among the many important milestones achieved during Cycle I was the establishment of a process for reviewing rate filings. This was made possible by the execution of a contract for actuarial services as well as a thorough review of the final rule on Rate Increase Disclosure and Review (“Final Rule”) (on which the Department provided input through the NAIC). 45 CFR § 154.101 (2011).

Under the Department’s current process, once a rate filing is received through SERFF and the Department’s newly developed internal Web Portal, a rate review analyst first affirms that the required documents needed for SERFF population and Department rate review standards are included in the filing. If the rate filing is incomplete, the rate review analyst will contact the carrier to request the required missing information. If the rate filing is complete, the rate review analyst will send notice of the filing to the Department’s internal actuarial staff and the actuarial consultants.

The Department’s actuarial consultants will then log the rate filing into a status log which will include the following: SERFF number, date received, company name and current status of filing. The consultants will then review the content of the filing for completeness, accuracy and methodological soundness. The following information will then be reviewed:

- Actuarial memorandum and rate justification form:

² Rates for HMO plans are not filed through SERFF.

Illinois Department of Insurance
Grant Application for Health Insurance Rate Review - Cycle II (CFDA: 93.511)

- Consultants will ensure it contains the key components necessary in an actuarial memorandum; the content will be reviewed to determine if the information provided meets the standards necessary for an actuarial review of the filing.
- Consultants will review the documents to verify the information specified in the rate justification form attached to the November 2010 company bulletin.
- Excel file with historical information:
 - Consultants will verify that all necessary information is provided.
 - Consultants will compare the information included in the excel file with information in the actuarial memorandum for consistency.
- Rate tables / rate increases requested in filing.

The consultants will then review the actuarial memorandum to ensure it includes comments regarding changes in any of the rating factors.

If information is missing or insufficient to complete the actuarial review, the consultants will inform the Department staff. If all information is present and sufficient, the consultants will review the rate increase to determine if it exceeds the 10 percent threshold.

If a rate increase is less than the 10 percent threshold, the consultants will inform the Department that all required information was provided and that the consultant's review is complete.

If the rate increase is greater than the 10 percent threshold, the consultants will conduct an in-depth review consistent with standards as set forth in Company Bulletin 2011-02. (*See Appendix B*). Under Company Bulletin 2011-02, proposed rate increases are reviewed to determine whether such increase is: (i) excessive—unreasonably high in relation to the benefits provided and/or unsupported by substantial evidence or assumptions; (ii) unjustified—incomplete, inadequate or otherwise does not provide a basis upon which the reasonableness of an increase may be determined; or (iii) unfairly discriminatory—differences for a particular product between insureds/members within similar risk categories, which do not reasonably correspond to differences in expected costs.

Once complete, the consultants will provide the Department with their opinion as to whether the rates are “unreasonable” or “reasonable.” After reviewing the consultant's report, the Department will either agree with and adopt the consultant's opinion or not agree with the consultant's opinion in which case further discussion and analysis by the Department's actuary will occur. In general, each review should be completed, on average, within 30 days once all information is received.

The Department's final determination will include an explanation of its analysis and be provided to the Centers for Medicare and Medicaid Services (“CMS”) within five business days following its determination. The Department will then enter into the CMS web-based system the outcome, including a brief narrative, of each rate increase subject to review.

Resources and Staff.

The Department currently utilizes one full-time actuary to review rate filings. With the use of Cycle I grant funds, the Department was able to hire three full-time analysts (contractual), and intends to hire two additional Health Actuaries and an Actuarial Assistant to assist with rate filings through a No Cost Extension of Cycle I grant funding.

Information Technology (IT) and Systems Capacity

The Department's technical capacity to conduct premium rate review has dramatically improved over the course of the last ten months. The Department's approach to developing the premium rate review process leverages both enhancements to SERFF, developed by the National Association of Insurance Commissioners (NAIC), as well as the creation and launch of the Illinois-specific Premium Rate Review web portal. The SERFF enhancements were intended to enable the Department to achieve the information reporting requirements under both the ACA and pursuant to the Cycle I grant requirements. Both goals were accomplished, and the State continues to use this system to meet those requirements.

The internal Departmental process to review premium rate increases and conduct information-sharing with the public was taken on by the Department using a somewhat different method. Over the course of the last six months, the Department contracted to design and build a new internal portal for carrier reporting of applicable data. Due to the limitations encountered by the Department with the SERFF system, the portal requests key information often solely included in its actuarial memorandum, and requests it in a standardized format and form using an excel database. This information eases the review of premium data for the actuarial team within the Department, and will be used going forward to review trends and broad market impacts of premium changes over time in both the individual and small group market.

The Department continues to phase in the consumer information provided through its website. So far, that has included the development of an interactive web tool for consumers to search premium increases in the individual market dating back to 2005. The Department also drafted initial design features for its Rate Review Report Card, which will build upon existing information provided through the Department's website, leveraging the portal data.

Budget and Staffing Capacity

Annual budget and revenue. The Department's budget for the FY2012 totals \$45,078,500. Projected annual revenue collected in FY12 is \$416,473,693.

Resources Allocated for Rate Review. Current budget for resources allocated for rate review is \$1,080,481. This includes the \$1,000,000 of Cycle I grant funding, the salary of an Insurance Analyst II of \$75,381, and equipment of \$5,100.

Education and Professional Background of Staff Responsible for Rate Review. The education and professional requirements of any individual conducting rate filing and review include the following:

Illinois Department of Insurance
Grant Application for Health Insurance Rate Review - Cycle II (CFDA: 93.511)

- Requires knowledge, skill and mental development equivalent to completion of four years of high school.
- Requires a working knowledge of the Illinois Insurance Code and related rules and regulations, or of general insurance company methods and procedures, particularly as those methods and procedures relate to life, accident and health policy evaluation.
- Requires a working knowledge of accounting principles and auditing methods.
- Requires a working knowledge of office methods and procedures.
- Requires the ability to analyze facts, data, and information with criteria, and draw reasonable conclusions.
- Requires ability to accurately interpret the Illinois Insurance Code and Department rules and regulations and executive bulletins.
- Requires ability to properly analyze financial statements and/or evaluate contractual provisions of insurance policies.

The Department has received 94 filings since December 1, 2010.

Consumer Protections

The Department discloses rate filings through an Individual Major Medical Health Policy Rate Filing Report (the “Report”) made available on the Department’s website at www.insurance.illinois.gov. The Report consists of a table summarizing all rate filings received by the Department from 2005-2010 for major medical policies offered on the individual market. For each filing, the Report lists the company name, filing date, percent change in the filed base rate, name or number of policies to which the filing applies, and whether such policies are accepting new enrollees. The Report is accompanied by a Rate Filing Guide written in plain language so that a consumer can understand the information contained within the Report and how it relates to the consumer’s premium.

In addition, the public has access to rate filings and other information received and maintained by the Department through the Illinois Freedom of Information Act (FOIA). FOIA requires public bodies like the Department to make available certain public records to any individual upon written request. *See* 5 ILCS 140/1 *et seq.* Section 7 of FOIA exempts certain categories of information from this disclosure requirement, including: i) information containing trade secrets or commercial or financial information that is furnished under a claim of confidentiality and that would cause competitive harm to the person or business if disclosed; and ii) information prepared by or for the use of a public body regulator regarding the examination, operating, or condition reports of a regulated entity such as an insurance company. 5 ILCS 140/7.

The Department maintains a FOIA section on its website containing general information and a form allowing individuals to submit a FOIA request to the Department.

Summaries of rate changes are provided through the Individual Major Medical Health Policy Rate Filing Report on the Department's website. The Department will update and rename this report to include information on all filings before September 1, 2011.

Illinois law does not require insurers or HMOs to notify policyholders prior to a proposed rate change. With respect to individual health insurance policies only, policyholders must receive written notice of the specific dollar amount of each premium payment 15-45 days before the due date.

Currently, formal processes do not exist for public hearings on major medical rate filings. Legislation drafted by the Department and introduced during the last legislative session authorizing the Department to modify or reject unreasonable or excessive rate increases established a formal process for public hearings. The Department is committed to continuing efforts to pass this legislation.

The Department received a total of 386 complaints regarding rate increases between 2009 and 2011. Of these, 113 concerned group health plans, while 273 concerned individual plans.

Examination and Oversight

Over the last two years, the Department has not taken any formal action or conducted formal hearings related to premium rates.

b) Proposal to Meet Cycle II Program Requirements

On July 1, 2011, Illinois was found to have an Effective Rate Review Program as outlined in the Final Rule. However, the Department is committed to making substantial enhancements to its current rate review program. In order to improve the performance, transparency, and accountability of the private health insurance marketplace, the Department will continue to collect and publicly disclose health insurance rates. Health insurance consumers—families and small business in particular—will benefit from increased scrutiny of proposed rate increases. Carriers that pursue rate increases that the Department deems to be unreasonable will have to publicly disclose this information on their website. The Department's current program will be further expanded to allow for the analysis of data provided by insurers to identify marketplace trends. The Department will continue to engage stakeholders and the people of Illinois in a collaborative effort to address the rising cost of health insurance coverage.

Goals of the Grant Application.

Illinois continues to work towards a more functional, transparent private health insurance marketplace. The Department will obtain the resources and staff to analyze data and enhance the

ability of the Department to share that data in a meaningful and consumer-friendly format. The Department will also engage carriers directly on the reasonableness of proposed rate increases.

The *immediate* goals of the Department in applying for the Health Insurance Rate Review Cycle II grants are to:

- 1) Enhance the current review of private health insurance premium rate activities;
- 2) Enhance consumer protections and marketplace efficiency; and
- 3) Expand statewide understanding of the Illinois health care economy, including where and how premiums pay for health care.

In order to accomplish these goals, the Department estimates \$3,531,085 will be necessary to deliver value to families, businesses and policymakers. Funds will be used to implement the Illinois *Enhanced Premium Review Project* and establish the Department infrastructure necessary to expand current rate review activities. Staffing will be increased to accommodate new demands and technological upgrades will streamline and expand our existing electronic submission and analysis systems. *Grant funding will not be used to replace existing State funding dedicated to rate review and reporting. The Department will not reduce its current investment in these activities.*

The Department intends to use these new resources to *enhance current rate review activities* by conducting in-depth analysis of proposed rate increases and then compiling and publishing proposed rate increases in order to engage and educate the public and policymakers about the cost of health insurance, the cost of health care, utilization of health care, and the impact of benefit design. Finally, the Department intends to significantly invest in *expanding consumer protection standards* through a more open and transparent process for review. That includes conducting public hearings and developing new interactive tools for consumers to navigate health insurance premium information and provide feedback.

Rate Review Enhancement Milestones

The Department plans to expand the current scope of rate review activities by transitioning the review of rate filings from its actuarial consultants to permanent Department staff. The Department intends to retain two Health Actuaries and an Actuarial Assistant to assist with rate review that will be hired during the No Cost Extension of Cycle I grant funding. When the contract with the consultants expires at the beginning of 2012, the Department intends to utilize internal Department staff to continue reviewing rate filings.

The Department's enhanced rate review program will enable staff responsible for rate review activities to conduct a more efficient analysis of premium data. The Department will utilize a rate submission checklist to promote consistency among filings and assist insurance analysts in efficiently reviewing filings for necessary information. After the expiration of the

Illinois Department of Insurance
Grant Application for Health Insurance Rate Review - Cycle II (CFDA: 93.511)

contract for actuarial services, the Department's actuarial staff will be responsible for determining whether a proposed rate increase is in excess of the 10 percent threshold and therefore subject to greater scrutiny. If the rate increase request is greater than 10 percent, the Department's actuarial staff will conduct an in-depth review consistent with the Department's standards. In general, each review should be completed, on average, within 30 days once all information is received.

The Department's final determination will then include an explanation of its analysis and be provided to CMS within five business days following its determination. The Department intends to develop a standardized template for reporting filings that are subject to review to HHS to ensure the Department can meet this deadline. The Department will enter into the CMS web-based system the outcome, including a brief narrative, of any rate increase subject to review.

In addition, the Department intends to analyze incoming premium data to identify market trends and generate reports used for consumer outreach, as well as financial and actuarial analysis. This type of analysis will enable the Department to provide consumers with a large-scale picture of the current market in Illinois. The information collected will then be used in drafting an "annual report" to inform consumers about market changes over the course of the year.

Rate Review Staffing

The Department will be retaining two Health Actuaries to assist with rate review activities through the No Cost Extension of Cycle I grant funding. The Department intends to retain the three contractual insurance analysts through FFY 2014 using Cycle II funds. The Department intends to hire a Research Economist that will be responsible for collating data from rate filings received from carriers. The Research Economist will then generate reports used for consumer outreach, for financial and actuarial analysis, and ultimately working with the Exchange in monitoring the insurance market in Illinois.

IT Capacity

While the Department made significant progress to establish an IT infrastructure and process for premium rate review in Illinois, more can be done to refine this infrastructure to further enhance the Department's ability to collect information, analyze this information, make a "reasonableness" determination, and provide transparency in the process and results to the public. The new enhancements proposed for the premium rate review portal include:

Data entry. The portal currently permits carriers to submit information through some drop down menus, but primarily it leverages text boxes. In an effort to ensure the database is easily queriable for individual product information as well as marketplace wide assessments, the portal data entry requirements need to be amended. In anticipation of additional data collection requirements, the Department is considering expanding the ability of the portal to collect information related to premium review, and required to be collected from carriers beginning in 2014 pursuant to Section 1311(e)(3), as well as other mandatory mechanisms, such as risk-

adjustment. Any activity that falls outside the realm of rate review will be cost-allocated as required by federal guidelines.

Real-time updates to rate increase information. The Department would like to establish a functionality that instantly updates the interactive web tool currently on the Department's website, allowing consumers to have immediate access to the most up-to-date individual market information, and relieving the actuarial team from what is currently a very time-consuming and arduous task.

Group Market Rate Increases. Similar to the tool currently in place for individual market premiums, the Department would like to create an interactive web tool for consumers to access and search information on group market products.

Marketplace Analysis. The Department would like to establish a tool or macro within the portal database to conduct automated analyses of the premium rate data to identify trends in the marketplace. Some trends the Department is interested in understanding on a regular basis include: pricing in each of the respective markets (individual, small group, large group), pricing by policy type, the number of individuals affected by specific premium rate increases, seasonal changes or trends in premium rates, and others as determined by the Director.

IT Staffing

The Department has thus far depended solely on the State's master contract to procure IT services to build and support the Premium Rate Review web portal. Due to the dissolution of that master contract, and the refined needs of the Department to build a more robust data collection web portal for rate review, the Department is requesting additional new funding to procure an IT team dedicated solely to the design, build, and initial maintenance of the enhancements to the portal. This team is a necessary but temporary solution to the general lack of available IT staff for the Department. Given the mandatory procurement schedule, the Department anticipates execution of a contract within 4-months of grant award. There will be an initial design and build phase, and then a maintenance phase will begin to both train new employees and phase out contract support for the product.

On a dual track, the newly appointed Deputy Director of IT within the Department is designing a new structure for permanent IT staffing to provide support to the premium rate review program. Specifically, this includes three new IT employees dedicated to portal and network support. Given the realistic timelines for hiring new staff due to the States' mandatory personnel code, new IT staff will not likely start until the first quarter of CY2012. However, this aspect of the project is crucial to ensure the portal can be maintained and updated overtime.

SERFF Upgrades

Data Collection from Industry. The SERFF system will be enhanced to assist with collection of all parts of the industry Preliminary Justification for rate increases. Part I, the Rate Increase Summary Worksheet, will be collected as an attachment to a Submission Requirement. The SERFF system will parse this attachment into database fields to allow for search and export

capabilities. Part II, the Written Explanation of Rate Increase, will also be collected with the filing submission. Finally, a Submission Requirement will be added to collect the Consumer Disclosure form. Companies will be expected to retrieve the Consumer Disclosure Form from the Health Insurance Oversight System (HIOS) and upload it to SERFF.

State Data Input. SERFF will be modified to allow the Department to enter a Summary of Rate Review and/or a State Filing Summary. The Department will be able to submit the Summary of Rate Review to HHS via SERFF following the review process.

Enhancements to HFAI. The Health Filing Access Interface (HFAI) will be enhanced to allow the Department to display the information above and to accept and process public comments on rate filings. The Department will make the Rate Increase Summary Worksheet, the Consumer Disclosure Form, the State Filing Summary, and the Summary of Rate Review available to the public as part of the HFAI system or via SERFF's existing public access. The Department will choose if and when these pieces are made public, using existing guidelines for public access. Additionally, HFAI and SERFF will be enhanced to support the collection of public comments via HFAI and to provide the Department an interface to manage the collection and posting of those comments from SERFF.

Consumer Protection Standards and Educational Outreach

The Department intends to enhance the transparency of the rate review process. Information about premium rate increases in the individual and small group markets will be posted to the Department's website as rates are filed. The Department also intends to publicize information about rate increases that the Department has determined to be unreasonable. Issuers that pursue these increases will be required to post rate increase information, including their Preliminary Justification, on their website. In addition, the Department will provide a link to Healthcare.gov and CMS.gov to allow consumers to read a brief, non-technical explanation of the relevant review findings that formed the basis of the Department's review determination. The Department will then post a consumer-friendly summary of the Department's decision on its website for each filing reviewed.

Consumers will also have the option of commenting on rate increases through a public comment section that will be developed on the Department's website. This page will include a link for consumers to link directly to the HHS website and information on issuers that have pursued increases that the Department has determined are unreasonable.

In order to provide information to the public about Illinois' rate review activities, the Department will conduct webinars on the Enhanced Rate Review Program.

Reporting to the Secretary on Rate Increase Patterns

The Department will comply with the requirement that grant participants provide data to the Secretary on health insurance rate trends in premium rating areas. The Department intends to hire a Research Economist that will be responsible for collecting the necessary data and identifying trends in the Illinois marketplace.

Recommendations to the State Exchange on Insurer Participation

The Department will comply with the requirement that grant participants make recommendations to the Illinois Exchange regarding carrier participation in the Exchange. Given the States' role in conducting premium rate review, federal law requires the Department to make recommendations to the Exchange about whether particular health insurers should be excluded from participation in the Exchange based on a pattern or practice of excessive or unjustified rate increases. Although the specific minimum federal and State requirements for plan participation and eligibility to sell on the Exchange have yet to be finalized, the Department, at a minimum, will provide a recommendation to the Exchange regarding plan participation related to some key elements. Any recommendation from the Department would likely be based on both mandatory regulatory requirements for carriers and plans to operate in Illinois, such as solvency and licensing requirements, as well as plan and policy approvals. Additionally, a carrier's specific pattern or practice of requesting and implementing premium rate changes – both increases and decreases -- will also be reviewed and included in the recommendation, as required by law. Recommendations specifically related to premium rate changes, and specifically those decisions informed by “unreasonable” rate increases, would be based on publically available information posted on the Department's website following a robust review process and final Department determination.

Premium Rate Review Work Plan

I. Goals of the Premium Rate Review Project are to:

- a. Enhance the current review of private health insurance premium rate activities;
- b. Enhance consumer protections and marketplace efficiency; and
- c. Expand statewide understanding of the Illinois health care economy, including where and how premiums pay for health care.

II. Evaluation Plan:

- a. The Department will gauge the success of its rate review program based on the average time it takes for the Department to review rates and issue a determination.
 - i. With actuarial consultants assisting with filings, this review is estimated to be completed within 30 days once all information is received.
 - ii. After the contract with the consultants expires, the Department intends to maintain this average review time.
- b. The Department will know how many consumers it reaches by:
 - i. The number of “hits” to the website;
 - ii. The number of consumer comments; and
 - iii. The number of policyholders impacted by a proposed rate change.

III. Deliverables of the Enhanced Premium Rate Review Project

- a. A report that identifies market trends in the Illinois insurance marketplace and includes a comprehensive assessment of premium increases.
- b. An updated and consumer-friendly webpage dedicated to premium rate review that will enable consumers to easily access information on rate increases and justifications provided.

IV. The Enhanced Premium Rate Review Project will be conducted by the Department’s actuaries and insurance analysts.

Improvement to the rate review process requires the Department to hire two additional Health Actuaries during the No Cost Extension of Cycle I grant funding. The Department will hire a Research Economist to assist with the analyzing of rate data. IT staffing will be obtained to assist the Department in enhancing current infrastructure and further expanding the internal Web Portal. Credentials for those employees will include the following:

- The **Health Actuary** performs highly responsible professional actuarial work by providing counsel and advice and conducting technical research in the insurance field of life, accident and health; conducts technical actuarial determinations of insurance firms doing business in the State; develops and prepares reports and recommends appropriate actions to the chief actuary or to the department director and administrators; may supervise lower level actuaries.
- The **Health Actuary** requires knowledge and skill equivalent to completion of four years of college, with courses in higher mathematics, such as calculus, probability and statistics. Requires four years professional experience in actuarial work in the life, accident and health field. Preferably requires the equivalent to the certificate received for the completion of necessary examinations to qualify as an Associate or Fellow of the Society of Actuaries (A.S.A. or F.S.A.) or Casualty Actuarial Society (A.C.A.S. or F.C.A.S.) Preferably requires the type and kind of experience and training necessary for membership in the American Academy of Actuaries.
- The **Research Economist** participates in the conduct of highly complex and specialized economic research and analytical work pertaining to the health insurance marketplace in the State of Illinois, its divisions, regions and/or other subareas; participates in the planning of economic research projects and studies; collects a variety of economic data and statistics from primary and secondary sources; assists in the review, evaluation and selection of current economic literature and reports.
- The **Research Economist** requires knowledge, skill and mental development equivalent to completion of four years of college and a master's degree in economics or closely related field. Requires two years professional experience in the field of research and/or education in economics. Requires extensive knowledge of published economic statistics, sources and data; research and statistical methods and techniques, sources of information, and methods of presentation; and current research activities in the field of regional economics. Requires thorough knowledge of economic development, theory and practices. Requires ability to apply research methods and statistical techniques to the analysis and interpretation of economic data. Requires ability to plan, construct, prepare and present comprehensive reports in oral and written form. Requires ability to establish and maintain an effective reference and control system.
- **The IT Staff** requires knowledge, skill and mental development equivalent to four years of college with course work in computer science or directly related fields, supplemented by three years of professional experience in a related Information Technology field. Requires extensive knowledge of Information Technology concepts and principles, the theories and functions of computer systems, and the principles and techniques of Information Technology documentation; hardware and

- software, languages, and procedures to provide assigned technical and analytical services; methods, procedures and techniques of conducting feasibility studies for system conversions and enhancements. Requires ability to effectively participate in and profit from continuing education, both in a formal and in-service training setting; analyze data logically and exercise sound judgment in defining, evaluating, and solving difficult administrative, organizational, technical, or operational problems where solutions may be of a precedent-establishing or research nature; gain and maintain effective working relationships with agency officials, associates, vendors, clients, and others; coordinate the activities of work associates to achieve desired results; plan and recommend training requirements that are necessary for effective performance. Requires developed oral and written communication skills to present technical information to others with clarity and precision.
- **The IT staff** requires experience in database design, database application development, Windows LAN based operating system environments and Microsoft SQL Server Database Management System; requires experience developing complex database structures using MS SQL Server; requires experience with techniques for accessing relational data using programming tools including MS Access, MS Visual Basic, and MS Visual Studio; requires experience training programmers in proper database access techniques; requires the ability to diagnose and resolve problems with relational databases; requires experience monitoring relational databases in order to identify and address potential problems before they affect performance.

V. Management of the Enhanced Premium Rate Review Project.

Project Manager, David Grant

David Grant, the Deputy Director for the Health Product Division will serve as the Project Director. The Project Director will take responsibility for guiding the planning process for the Department's enhanced rate review program. The Project Director will oversee the program and assist in delegating responsibilities to the IT staff dedicated to rate review.

Deputy Project Manager, Colleen Burns

Colleen Burns, Special Counsel for Health Policy will serve as the Deputy Project Director. The Deputy Project Director will assume the responsibilities associated with the logistics, coordination, contracting, and outreach of the project. The Deputy Project Director will record and report on progress made on key decision points, ensure consumer outreach activities are transparent and accessible, and make certain that all reporting requirements associated with the grant are met.

VI. The Enhanced Premium Rate Review Project will take place:

September 30, 2011 - September 30, 2014.

**STAFF ORGANIZATIONAL
CHART**

