Conference Call
HEALTH REFORM SOLVENCY IMPACT (E) SUBGROUP
April 16, 2012

Summary Report
The Health Reform Solvency Impact (E) Subgroup met via conference call April 16, 2012. During this meeting, the Subgroup:

1. Discussed various changes to the 2012-24BWG Supplemental Health Care Exhibit proposal. The changes discussed included:
   a) Modify instructions for stand-alone pharmacy coverage to be included with comprehensive business.
   b) Combine the “other business (excluded by statute)” and the “other health” columns. Add a “student plans” column to Part 1 and 2 as well as add lines to Part 3.
   c) Clarify “community benefits” instructions including deleting the “not-for-profit” language.
   d) Adjust Part 2 crosschecks for the treatment of rate credits and blended rates, and note that the crosscheck may be off by a company’s premium deficiency reserves, if such reserves are held.
   e) Modify the “state stop loss, market stabilization and claim/census based assessments” line and instructions to be consistent with the HHS form as an “informational only” line. These assessments are already included in incurred claims.

2. Set up a Reconciliation Technical Group to develop a reconciliation between the Supplemental Health Care Exhibit and the HHS MLR forms. Five states agreed to participate in the technical group; Alabama, New York, North Carolina, Wisconsin and Illinois to chair the group. Several interested party groups volunteered to assist as well. Known issues identified:
   a) Credibility adjustment
   b) Three months claim run-out
   c) Small group definition difference
   d) MLR rebates included or excluded from future MLR calculations
   e) New business excluded or deferred in the MLR form but reported in the SHCE.
   f) Premiums written by more than one entity (e.g., point-of-service product) which are combined on the MLR reporting form, but reported separately in the SHCE.