



SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

P.O. BOX 1157
RICHMOND, VIRGINIA 23218
1300 E. MAIN STREET
RICHMOND, VIRGINIA 23219
TELEPHONE: (804) 371-9741
scc.virginia.gov

December 12, 2022

Administrative Letter 2022-03

TO: All Carriers Eligible to Receive Reinsurance Payments for Individual Health Insurance Coverage Issued in Virginia on or after January 1, 2023

RE: Commonwealth Health Reinsurance Program - Care Management Protocols

The State Corporation Commission (SCC) received federal approval on May 18, 2022, to operate the Commonwealth Health Reinsurance Program (the Program) and made the required notices that same day to the Governor and the Chairs of the House Committees on Labor and Commerce and Appropriations and the Senate Committees on Commerce and Labor and Commerce and Appropriations. Accordingly, all remaining provisions of [Chapter 66](#) of Title 38.2 of the Code of Virginia (the Code) became effective on June 17, 2022.

Section [38.2-6602](#) E of the Code directs the SCC to require each eligible carrier that participates in the Program to file with the SCC, by a date and in a form and manner the SCC specifies, the care management protocols the eligible carrier will use to manage claims within the payment parameters. Care management protocols are intended to promote more cost-effective health care and be a vehicle for eligible carriers to manage claims costs for enrollees whose claims are expected to exceed the Program's attachment point for any given year. This letter outlines the form and manner of the care management protocols carriers must submit to confirm their strategies for managing claims within the Program's parameters.

In accordance with § 38.2-6602 of the Code, the SCC's Bureau of Insurance (BOI) will establish and publish the payment parameters (to include the attachment point) by May 1 the year prior to any given benefit year. Information on the payment parameters for a benefit year can be found at: [Virginia SCC - Reinsurance Program](#).

Eligible carriers must file the [Reinsurance Care Management Protocol Assessment](#) annually through SERFF¹ as supporting documentation with their individual health insurance coverage rate filings for the applicable benefit year. For example, the filing for the 2024 benefit year must be made with the 2024 rate filing in May 2023.

Eligible carriers should identify enrollees whose claims are expected to fall within the payment parameters and describe in their filings strategies for managing high-cost claims and providing effective care management for members whose claims costs are expected to exceed the Program's attachment point established each year by the BOI. This may include describing: (i) ways the carrier includes social determinants of health; (ii) how the carrier addresses health equity issues; and (iii) how the carrier tracks care management services and activities performed by providers or other entities, which may vary by region or provider.

Carriers should estimate the annual savings to the Commonwealth Health Reinsurance Program they expect to generate through their care management protocols. The savings should be measured as the difference between a carrier's estimated total reinsurance payment amount with care management protocols implemented and the estimated reinsurance payment amount without them.

Eligible carriers should include in their submission of the Reinsurance Care Management Protocol Assessment any actuarial analysis or data and other documentation that support the eligible carriers' responses.

Any questions concerning this Administrative Letter may be addressed to:

Health Actuary
Life & Health Division Bureau of Insurance
ACAFilingInfo@scc.virginia.gov

Cordially,

A handwritten signature in black ink, appearing to read "Scott A. White", with a stylized flourish at the end.

Scott A. White
Commissioner of Insurance

¹ System for Electronic Rate and Form Filing (SERFF)