

FILED

August 2, 2013

2013 AUG -5 A 8:34

Office of Insurance Commissioner  
Attn: Commissioner Kreidler  
P.O. Box 40255  
Olympia, Washington 98504-0255  
Re: Demand for Hearing and Appeal of Findings

Hearings Unit, DIC  
P.O. Box 40255  
Chief Hearing Officer

Dear Commissioner Kreidler:

We received your findings letter dated July 31<sup>st</sup>, 2013, which disapproves Coordinated Care Corporation's binder, form and rate filings for the Exchange individual market products (bronze, silver and gold). I am requesting a formal appeal and hearing to challenge this action of the Commissioner for the following reasons:

1. We seek consideration to extend the original filing deadline in order to meet the objectives of the Affordable Care Act which include broad consumer access and innovative plans in the Marketplace.
2. We would like to have an opportunity to make corrections to the new objections found in the July 31<sup>st</sup> disapproval notice. In some objections, we had made changes based on previous OIC feedback. In other cases, we believe we have accurately interpreted WA statute and regulations, as directed to by OIC. We would appreciate time to more deeply understand and receive counsel from the OIC on how we might cure some of the objections.
3. We have received conflicting guidance from the OIC on the Network Adequacy requirements and approaches to remedy previous network findings. The most recent findings remain ambiguous. We continue to believe that we either meet adequacy today or with more explicit guidance can meet the OICs adequacy requirements within the constraints of Washington law and regulation.
4. We feel highly confident that in the State of Washington, Coordinated Care Corporation has created a compliant and competitive product that will serve, in particular, uninsured low income consumers for the 14 counties in our service area.

Sincerely,



Jay Fathi, MD

Plan President and CEO  
Coordinated Care Corporation  
1145 Broadway, Suite 300  
Tacoma, WA 98402  
JFATHI@coordinatedcarehealth.com  
Phone: 253-442-1466

**Disposition for CELT-129099631**

<b>SERFF Tracking Number:</b>	CELT-129099631	<b>State:</b>	Washington
<b>Filing Company:</b>	Coordinated Care Corporation	<b>State Tracking Number:</b>	257061
<b>Company Tracking Number:</b>	61836WAC03		
<b>TOI:</b>	HOrg02I Individual Health Organizations - Health Maintenance (HMO)	<b>Sub-TOI:</b>	HOrg02I.005D Individual - HMO
<b>Product Name:</b>	Ambetter		
<b>Project Name:</b>	Ambetter		

**Disposition Date:**  
07/31/2013

**Implementation Date:**  
**Status:** \*

Disapproved

**HHS Status:** \*

HHS Denied

**State Review:**

**Comments:**

Dear Filer,

The binder, form and rate filings are disapproved and closed per RCW 48.46.060(3)(a)(d) and (e) for containing misleading conditions that unreasonably affect the risk purported to be assumed in the general coverage of the agreement, unreasonably restricting treatment of patients and failing to conform to minimum provisions and/or standards required by regulation.

Per RCW 48.46.030 and WAC 284-43-200 Coordinated Care Corporation (Coordinated Care) is required to demonstrate it has adequate arrangements in place to ensure reasonable proximity to a contracted network of providers and facilities to perform services to covered persons under its contracted plans. The Insurance Commissioner's office (OIC) has reviewed Coordinated Care's Provider Network Form A [WAC 284-43-220(1)], Access Plan, and GeoNetwork report and determined the network does not have sufficient contracted providers and facilities in place to support the services set forth in the product.

The Access Plan states Coordinated Care has an inadequate number and types of in-network providers to provide medically necessary services and requests to utilize Single Case Agreements and prior authorization requirements to manage access. These arrangements are an alternative service delivery system [WAC 284-43-200(3)] subject to acceptance by this office. The Insurance Commissioner's office does not approve these requests for new product offerings. Alternative delivery systems are considered by this office only when a carrier has a material provider or integrated delivery system termination that impacts delivery of care in established networks.

Coordinated Care has further identified its network is dependent upon its contracting relationships with specialty company arrangements. Opticare Managed Vision, Inc is reported as the statewide vision care network to support vision services in the product. The OIC disapproved this provider contract on December 31, 2012 [state tracker id: 248035] as such, Coordinated Care has no approved vision network.

In addition to the above the filings are disapproved for the following reasons:

**Rate Filing:**

1. You did not add the counties you offer these plans in onto the rate schedule or a separate document on the

Rate/Rule Schedule tab.

- 2. You did not provide methodology, justification, and calculations used to determine the contribution to surplus, contingency charges, or risk charges included in the proposed base rates. Furthermore, your definition of "profit" and "contribution to surplus" is inconsistent with WAC 284-43-910(13).
- 3. You did not submit the calculations and justification of the area factors. You mentioned that Exhibit 3 describes the expected reimbursement level as a percentage of Medicare and rating factors by rating area. However, there is no Exhibit 3 attached to the rate filing.
- 4. You did not provide the supporting documentation and calculations for the figures used to calculate the Index Rate to Base Rate in Appendix E. You mentioned that Exhibits 4A and 4B include detailed calculations for SG&A and Licensing, Taxes and Fees. However, there are no Exhibits 4A and 4B attached to the rate filing.

Form Filing:

- 5. The definition of eligible service is confusing and misleading [RCW 48.46.060(3)(a)] because it does not clearly notify the enrollee that in addition to in-network cost-share requirements they will be subject to "balance billing" by the provider or facility.
- 6. The "Adding An Adopted Child" provision is still too restrictive in conflict with RCW 48.01.180 and RCW 48.46.490. First, it is unclear why Coordinated Care has added additional language defining conditions of "placement". Second, it is unclear what the "written notice" is a parent must provide regarding the intent to adopt the child. The enrollee is only required to apply for coverage for the new dependent.
- 7. The "For Dependent Members" provision is too restrictive and contains language that may conflict with RCW 48.46.320. A carrier may not require a dependent child be "...continuous total incapacity..." to qualify for coverage.
- 8. The "Family Planning Services" provision is too restrictive per RCW 48.46.060(3)(a) and (d) and A.C.A. A carrier may not place restrictions on access to any FDA approved contraceptive drugs or devices.
- 9. The "Home Health Care Service Benefits" provision is too restrictive in conflict with WAC 284-43-878(1) because it contains limitations services and supplies that may be required to provide medically necessary care in a home setting.
- 10. The Bronze Product, Specialty Drug benefit includes a \$350.00 maximum "eligible coinsurance charge" before the service is paid at 100%. This dollar amount is a deductible and must be set forth in the policy, rate, and binder as such. The benefit as stated in the policy is misleading per RCW 48.46.060(3)(a0).
- 11. The Pharmacy benefit defines Mail Order drugs have a "3 times retail cost sharing" requirement. This language is confusing and ambiguous per RCW 48.46.060(3)(a). You must specifically define the cost share obligation to the member in the policy.
- 12. The "Premiums" section is still too restrictive in conflict with RCW 48.43.005(31).

Binder Filing:

- 13. The Pharmacy Benefit Template, Plans and Benefits template and policy do not match. For example, HIOS Plan ID 61836WA0030001 defines it will use Formulary ID WAF003. Formulary ID WAF003 is a 4-tier pharmacy option utilizing copay cost share requirements. The Schedule of Benefits for this Bronze Product defines certain drug tiers are subject to coinsurance. WAF003 does not include any coinsurance requirements.
- 14. You do not rate based on tobacco use. Therefore, cell K10 should read "Not Applicable" in the Rating Business Rules template.
- 15. You do not have a tobacco-use factor. The Rate Data template should not include a tobacco rate column.

Schedule Items

Item Type	Item Name	Item Status	Public Access
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Supporting Document	Filing Instructions		Yes
Supporting Document	Individual Form Filing Requirements - HMO		Yes
Supporting Document	PPACA Uniform Compliance Summary		Yes
Supporting Document	SERFF Auth Letter		Yes
Supporting Document	WA HMO Individual Checklist		Yes
Supporting Document	<i>WA HMO Individual Checklist</i>		Yes
Supporting Document	Redline Contract		Yes
Form	61836WA003000101, Schedule Pages, Bronze Schedule of Benefits	Disapproved	Yes
Form	<i>61836WA003000101, Schedule Pages, Bronze Schedule of Benefits</i>	<i>Withdrawn</i>	Yes
Form	61836WA003000102, Schedule Pages, Bronze Zero Cost Sharing Plan Variation	Withdrawn	Yes
Form	<i>61836WA003000102, Schedule Pages, Bronze Zero Cost Sharing Plan Variation</i>	<i>Withdrawn</i>	Yes
Form	61836WA003000103, Schedule Pages, Bronze Limited Cost Sharing Plan Variation	Withdrawn	Yes
Form	<i>61836WA003000103, Schedule Pages, Bronze Limited Cost Sharing Plan Variation</i>	<i>Withdrawn</i>	Yes
Form	61836WA003, Policy/Contract/Fraternal Certificate, Individual HMO Contract	Disapproved	Yes
Form	<i>61836WA003, Policy/Contract/Fraternal Certificate, Individual HMO Contract</i>	<i>Withdrawn</i>	Yes

**Cairns, Kelly (OIC)**

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**From:** Sara Ross [SARROSS@coordinatedcarehealth.com]  
**Sent:** Friday, August 02, 2013 5:09 PM  
**To:** OIC Hearings Unit  
**Cc:** Nathan Moore; Jay Fathi; Katie Rogers; Kreidler, Jennifer (OIC); Nollette, Molly (OIC); Kreidler, Commissioner (OIC); Odiome, Jim (OIC); LaFlash, Janis (OIC)  
**Subject:** Demand for Hearing  
**Attachments:** 20130731Disapproval.pdf; Demand for Hearing Signed.PDF; ATT1316342.txt

Attached please find Coordinated Care Corporation's demand for hearing. In addition, you will find the Office of Insurance Commissioner's final disposition received on July 31<sup>st</sup> 2013 via SERFF related to State Tracking Numbers 257060, 257061, 257062 and 257063.

Thank you,  
**Sara Ross**  
**Manager, New Product and Program Operations**



**coordinatedcare**

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*Established to deliver quality health care in the state of Washington through local, regional and community-based resources, Coordinated Care is a Managed Care Organization and subsidiary of Centene Corporation (Centene). Coordinated Care exists to improve the health of its beneficiaries through focused, compassionate and coordinated care. Our approach is based on the core belief that quality health care is best delivered locally. For more information, visit [www.CoordinatedCareHealth.com](http://www.CoordinatedCareHealth.com)*