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BEFORE THE STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER

IN THE MATTERS OF:

MASTER BUILDERS ASSOCIATION  
OF KING AND SNOHOMISH  
COUNTIES and MASTER BUILDERS  
ASSOCIATION OF KING AND  
SNOHOMISH COUNTIES EMPLOYEE  
BENEFIT GROUP INSURANCE TRUST  
("MBA TRUST")  
No. 15-0062

CAMBIA HEALTH SOLUTIONS  
(RE MBA TRUST) ("CAMBIA 1")  
No. 15-0071

BUILDING INDUSTRY ASSOCIATION  
OF WASHINGTON HEALTH  
INSURANCE TRUST ("BIAW TRUST")  
No. 15-0075

CAMBIA HEALTH SOLUTIONS  
(RE BIAW TRUST) ("CAMBIA 2")  
No. 15-0078

NORTHWEST MARINE TRADE  
ASSOCIATION and NORTHWEST  
MARINE TRADE ASSOCIATION  
HEALTH TRUST ("NMTA TRUST")  
No. 15-0079

CAMBIA HEALTH SOLUTIONS

Docket Nos. 15-0062; 15-0071; 15-0075; 15-  
0078; 15-0079 and 15-084

DECLARATION OF DALE NEER IN  
SUPPORT OF MOTION FOR SUMMARY  
JUDGMENT BY MBA TRUST, BIAW  
TRUST, NMTA TRUST, AND CAMBIA

DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 1

3 1. I am the Director of Underwriting of Regence BlueShield ("Regence"). I am  
4 above the age of 18 and competent to testify to the matters set forth herein.

5 2. Regence is a Washington healthcare services contractor. It is a subsidiary of  
6 Cambia Health Solutions ("Cambia"), a not for profit corporation that sells health insurance  
7 through its subsidiaries, including Regence.  
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9 3. Regence issues fully-insured health benefit plans to several industry-specific  
10 association health plans, including the Master Builders Association of King and Snohomish  
11 Counties and Master Builders Association of King and Snohomish Counties Employee Benefit  
12 Group Insurance Trust (collectively, "MBA Trust"), the Building Industry Association of  
13 Washington Health Insurance Trust ("BIAW Trust"), and the Northwest Marine Trade  
14 Association and Northwest Marine Trade Association Health Trust (collectively, "NMTA  
15 Trust"). MBA Trust, BIAW Trust, and NMTA Trust shall hereinafter be collectively referenced  
16 as "the AHPs."  
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18 4. The AHPs offer Regence's fully-insured plans ("the Plans") to over 1,700 member  
19 employers ("Participating Employers"), with approximately 50,000 employees and eligible  
20 dependents ("Members")  
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22 5. In mid-February 2014, Regence submitted the 2014 rate and form filings associated  
23 with the Plans for the NMTA Trust and MBA Trust to the Office of the Insurance Commissioner  
24 ("OIC"), via the System for Electronic Rate and Form Filing ("SERFF"). On April 25, 2014,  
25 Regence submitted the 2014 rate and form filings associated with the Plans for the BIAW Trust.  
26 These filings are collectively referenced herein as "the Filings." The Filings each contained a

DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 2

1 “Certification of Compliance” with the Health Insurance Portability and Accountability Act  
2 (“HIPAA”) non-discrimination provisions, signed by a representative of each AHP, and the OIC  
3 has not maintained that these certifications are false or inaccurate. Because the Filings are quite  
4 voluminous, Regence has not attached hard copies of the entire files to this Declaration. The  
5 Filings can be downloaded from the OIC’s website at:  
6 <https://fortress.wa.gov/oic/onlinefilingsearch/> (last visited April 29, 2015). The SERFF Tracking  
7 Numbers of the Filings at issue in this appeal are as follows: (1) B861-129414686, B861-  
8 129414536, B861-129399564, and B861-129399488 (MBA Trust-related Filings); (2) B861-  
9 129416259 and B861-129416227 (NMTA Trust-related Filings); and (3) B861-129515926,  
10 B861-129515932, B861-129515849, and B861-129515810 (BIAW Trust-related Filings).  
11 Should the Administrative Law Judge and/or the OIC prefer hard copies of the complete files,  
12 Regence can provide those.  
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15 6. While the Filings were filed by Regence, they were the result of a collaborative  
16 process that included the AHPs.

17 7. 2014 was the first year in which Regence filed rate and form filings for NMTA  
18 Trust. However, Regence has filed rate and form filings for MBA Trust and BIAW Trust since  
19 such filings were required by law. Regence has maintained electronic records dating back to  
20 2001 for BIAW Trust and dating back to 2002 for MBA Trust.

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22 8. Just as had been the case in past years for the MBA Plans and the BIAW Plans,  
23 the 2014 Filings included multiple rate categories and custom rates that applied to the Plans, with  
24 different monthly rates associated with each rate category and custom rates. The rating was  
25 established at the Participating Employer level, rather than applying a single rate category at the  
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DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 3

1 AHP level. Each Participating Employer in each AHP was assigned to one of the rate categories  
2 or a custom rate was developed and filed specific to a participating employer. We often review  
3 claims experience and large claims data for a participating employer and have historically used  
4 this information to assign a participating employer to rate categories or in the development of  
5 custom rates, as is customary with industry-standard underwriting practices.  
6

7 9. MBA Trust and NMTA Trust utilize three rate categories for new Participating  
8 Employers, and four rate categories for Participating Employers that renew with each trust. New  
9 Participating Employers are generally placed in either rate category 0, 1, or 2. MBA Trust and  
10 NMTA Trust use rate categories 0, 1, and 2 for new Participating Employers that are not  
11 currently receiving coverage directly through Regence (“Regence Direct Coverage”), but  
12 receiving it from another insurance carrier. New Participating Employers moving from Regence  
13 Direct Coverage to the MBA Trust or NMTA Trust usually receive category 2 rates or custom  
14 rates. Participating Employers renewing coverage with MBA Trust or NMTA Trust are either  
15 left in their current rate categories or moved to new rate categories based on the following  
16 factors: (1) Participating Employer demographics and enrollment changes; (2) geographical  
17 location of Members; (3) Participating Employer contribution; (4) current benefit selection; (5)  
18 participation in wellness and prevention programs; (6) length of participation in the Trust; (7) the  
19 overall claims experience of the Trust; and (8) competitive consideration. We often review  
20 claims experience and large claims data for a participating employer and have historically used  
21 this information to assign a participating employer to rate categories or in the development of  
22 custom rates, as is customary with industry-standard underwriting practices.  
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DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 4

1           10.     BIAW Trust utilizes a very similar rating methodology to MBA Trust and NMTA  
2 Trust. BIAW Trust utilizes three rate categories for new Participating Employers, and five rate  
3 categories for Participating Employers that renew with the Trust. New Participating Employers  
4 are generally placed in either rate category 0, 1, or 2. BIAW Trust uses rate categories 0, 1, and  
5 2 for new Participating Employers that are not currently receiving Regence Direct Coverage.  
6 New Participating Employers moving from Regence Direct Coverage to the BIAW Trust usually  
7 receive category 2 rates or custom rates. Participating Employers renewing coverage with  
8 BIAW Trust are either left in their current rate categories or moved to new rate categories based  
9 on the following factors: (1) Participating Employer demographics and enrollment changes; (2)  
10 geographical location of Members; (3) Participating Employer contribution; (4) current benefit  
11 selection; (5) participation in wellness and prevention programs; (6) length of participation in the  
12 BIAW Trust; (7) the overall claims experience of the BIAW Trust; and (8) competitive  
13 consideration. We often review claims experience and large claims data for a Participating  
14 Employer and have historically used this information to assign a Participating Employer to rate  
15 categories or in the development of custom rates, as is customary with industry-standard  
16 underwriting practices.  
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19           11.     This method of rating—establishing multiple rate categories at the Participating  
20 Employer level—is not new to Regence’s 2014 Filings. With respect to the MBA Plans and the  
21 BIAW Plans, the OIC accepted this method of rating and approved Regence’s rate and form  
22 filings associated with MBA Plans and BIAW Plans for more than a decade. The OIC has never  
23 previously objected to the AHPs’ and Regence’s approach.  
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DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 5

1           12. On March 7, 2014, the OIC sent Regence an Objection Letter through SERFF with  
2 respect to the MBA Filing, a true and correct copy of which is attached hereto as Exhibit 1.  
3 Regence responded to the Objection Letter with a Response Letter of April 7, 2014, a true and  
4 correct copy of which is attached as Exhibit 2.

5           13. On March 13, 2014, the OIC sent Regence an Objection Letter through SERFF  
6 with respect to the NMTA Filing, a true and correct copy of which is attached hereto as Exhibit  
7 3. Regence responded to the Objection Letter with a Response Letter of April 11, 2014, a true  
8 and correct copy of which is attached as Exhibit 4.

9           14. On July 3, 2014, the OIC sent Regence an Objection Letter through SERFF with  
10 respect to the BIAW Filing, a true and correct copy of which is attached hereto as Exhibit 5.  
11 Regence responded to the Objection Letter with a Response Letter of August 1, 2014, a true and  
12 correct copy of which is attached as Exhibit 6.

13           15. The OIC sent Regence nearly identical Objection Letters through SERFF on  
14 October 28, 2014 as to the MBA, NMTA, and BIAW Plans, true and correct copies of which are  
15 attached hereto as Exhibits 7, 8, and 9. Regence responded to the Objection Letters with  
16 Response Letters of November 12, 2014, true and correct copies of which are attached as  
17 Exhibits 10, 11, and 12.

18           16. On January 15, 2015, the OIC issued its Rejections of the Filings. True and correct  
19 copies of those Rejections are attached hereto as Exhibits 13, 14, and 15.

20           17. As of the date of this Motion, the OIC has not rejected Regence's 2015 Filings,  
21 involving the Plans in which Members are currently enrolled.

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DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 6

1 18. If the OIC's requested remedy is imposed, Members will be obligated to transfer to  
2 other benefit plans that may have substantially higher premiums and risk having the OIC  
3 ultimately disapprove the 2015 rate filings associated with those plans.

4 I declare under penalty of perjury under the laws of the State of Washington that the  
5 foregoing is true and correct to the best of my knowledge.  
6

7 SIGNED at Seattle, Washington this 6th day of May, 2015.  
8

9 ~~Regence BlueShield~~

10  
11 By: 

Dale Neer

12 Title:

Director of Underwriting  
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DECLARATION OF DALE NEER IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT - 7

# EXHIBIT

1

State: Washington Filing Company: Regence BlueShield  
TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Objection Letter

Objection Letter Status	Active Suspense
Objection Letter Date	03/07/2014
Submitted Date	03/07/2014
Respond By Date	04/07/2014

Dear Shawn Soiseth,

### Introduction:

Please see the objections below and provide your response before the Response By date. To help you respond to our objections, the following paragraphs outline some federal and state rating requirements related to group health plans.

### Rating Requirements for Large Employers

Effective January 1, 2014, the state small group community rating requirements under RCW 48.44.023, RCW 48.46.066, and RCW 48.21.045 will apply to grandfathered small group health plans only. For all non-grandfathered individual and small group health plans effective January 1, 2014, the federal community rating requirements under 45 CFR §147.102 govern the rating.

Prior to 2014 under RCW 48.44.024, RCW 48.46.068, and RCW 48.21.047, employers purchasing health plans through associations were treated as large employers regardless of their number of employees, and the plans were not subject to the state small group community rating requirements. However, the state laws did not define the "association" to be one large employer. The determination of whether the group health plan exists at the association level or at the participating individual employer level under the Affordable Care Act depends on whether the association itself constitutes "an employer" under ERISA. If the association does not qualify as an employer under ERISA, the association is irrelevant for purposes of health plan filings. If the association does meet the ACA and ERISA employer test, the association itself is considered one large employer for health plan filing purposes and the HIPAA nondiscrimination provisions are enforced on the association level.

For all large groups, including associations who qualify under the ERISA 3(5) definition of an employer, the federal Health Insurance Portability and Accountability Act (HIPAA) prohibits discrimination against participants and beneficiaries based on a health status-related factors. Specifically, a group health plan, and health insurance issuer offering group health coverage in connection with a group health plan, may not establish rules for eligibility (including continued eligibility) of any individual related to the health-related factors. Federal law prohibits use of the following factors: health status, medical condition (including both physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability. 29 CFR Chapter XXV, Section 2590.702.

As a result, under HIPAA an issuer or association must not use health-status related data or information from a specific participant, a subgroup of participants, or a participating purchasing group within the association to establish rates for the participant or the group purchaser. This includes specific health status, claims experience, participation requirements, etc. As an example, for any two similarly situated individuals (the same age and gender) within the association employer, the association health plan as the group health plan or the carrier as the issuer cannot charge higher rates for one individual simply because the one individual has more medical claim history or existing medical conditions than the other individual.

Issuers are permitted to use non-health status-related rating factors permitted by federal or state law for a particular large group health plan. Permitted factors include demographics, age, area, and gender.

With that being said, please respond to the following objections:

### Objection 1

- HCSC Rates (Supporting Document)

EXHIBIT 1, Page 1 of 2

SERFF Tracking #: B861-129414686

State Tracking #: 287228

Company Tracking #: 100000029CMR,  
100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

Comments: As required by the Washington State SERFF Health and Disability Rate Filing General Instructions, please submit a certification from a company (issuer) officer that this association group health coverage as one large group meets the requirements of HIPAA under 29 CFR Chapter XXV, Section 2590.702. You have submitted a certification signed by the MBAs Executive Director. Since Regence BlueShield is the carrier issuing the coverage, you must submit the certification from an officer of the issuer (Regence BlueShield).

### Objection 2

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are four Categories of rates. For example, for the benefit plan Enhanced-E 10, an employee age 30 can be charged a monthly rate of \$301.92 (Category 0), \$335.47 (Category 1), \$362.67(Category 2), or \$417.07(Category 3). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to the replicate rate for any new or existing employee.

### Objection 3

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Pages 5 through 10 of the rate schedule list many Custom Rated Groups with a composite family tier rate structure for each Group.

(a)Please define what you mean by a Custom Rated Group and how you define a Group in this case.

(b)For EACH Custom Rated Group, please explain in detail how you developed the rate schedule, including factors used to develop a custom rated group.

### Objection 4

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

a)A copy of the questions or request for information regarding health or claims history;

b)An explanation as to how the information provided regarding health or claims history is used to determine rates;

c)How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

### Conclusion:

Please also note that if carriers fail to comply with state or federal laws or regulations, the OIC has the authority to disapprove rates or forms under RCW 48.18.110, RCW 48.44.020, and RCW 48.46.060.

Sincerely,  
Lichou Lee

# EXHIBIT

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SERFF Tracking #: B861-129414686 State Tracking #: 267228 Company Tracking #: 100000029CMR, 100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties

Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 04/07/2014  
 Submitted Date 04/07/2014

Dear Lichiou Lee,

### Introduction:

As part of the Master Builders Association's purpose of serving, promoting and protecting the viability of the housing and remodeling industries in Washington, the MBA's Health Insurance Trust covers over 1,300 companies and 38,000 Washington residents. To be successful, the health care program must meet the twin goals of offering competitive prices while maintaining financial stability. The rating methodology used by the MBA is critical in their ability to meet these goals. However, the MBA does not use health-status related data or information from a specific participant to establish rates for the participant. As such, MBA's filed rates comply with all applicable federal and state laws.

### Response 1

#### Comments:

Attached to these responses is a certification from Regence BlueShield regarding the filing status for the MBA.

### Related Objection 1

Applies To:

- HCSC Rates (Supporting Document)

Comments: As required by the Washington State SERFF Health and Disability Rate Filing General Instructions, please submit a certification from a company (issuer) officer that this association group health coverage as one large group meets the requirements of HIPAA under 29 CFR Chapter XXV, Section 2590.702. You have submitted a certification signed by the MBAs Executive Director. Since Regence BlueShield is the carrier issuing the coverage, you must submit the certification from an officer of the issuer (Regence BlueShield).

### Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	HIPAA AHP Certificaion Letter - RBS
Comments:	Please see attached document as referred to in Objection #1
Attachment(s):	HIPAA AHP Certification Letter RBS -MBA.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #: B861-129414686 State Tracking #: 267228 Company Tracking #: 100000029CMR, 100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Response 2

### Comments:

The Master Builders Association utilizes three rating categories for new member groups, and four rating categories for member groups that renew with the trust. Each new member group is placed in rating category 0-2. MBA uses categories 0 & 1 for new member groups that are not currently receiving Regence direct coverage. New member groups placed in category 0 must meet the following criteria: (1) be a part of a stable industry group; (2) currently receive coverage in a group health plan offered by a Regence BlueShield competitor; (3) maintain at least ten enrolled employees; (4) maintain an average population age 44 or less; and (5) maintain a male percentage of 77% or greater. Other new member groups not currently insured through Regence BlueShield are placed in category 1 or 2 depending on the competitive position of our quote. All new member groups moving from Regence direct to the MBA receive category 2 rates. An individual participants health status (or medical condition) is not a factor when determining the rating category.

Renewal groups are either left in their current category or moved to a new category at renewal with the goal of balancing the overall needed premium increase for the associations renewal. Member groups may be moved from their current categories based on the following factors: (1) member group demographics and enrollment changes; (2) geographical location of employees; (3) member group contribution; (4) current benefit selection; (5) participation in wellness and prevention programs; (6) length of participation in the trust; and (7) the overall claims experience of the MBA. An individual participants health status (or medical condition) is not a factor when determining the new rate category.

For new member groups, the general agent for the Association assigns the new business rate categories, which are reviewed & approved by Regence underwriting upon enrollment. For renewal rate categories, the general agent moves member groups into the appropriate renewal category. Regence underwriting reviews and approves the overall premium increase for the Association as a whole.

### Related Objection 2

Applies To:

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are four Categories of rates. For example, for the benefit plan Enhanced-E 10, an employee age 30 can be charged a monthly rate of \$301.92 (Category 0), \$335.47 (Category 1), \$362.67(Category 2), or \$417.07(Category 3). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to the replicate rate for any new or existing employee.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 3

SERFF Tracking #: B861-129414686

State Tracking #: 267228

Company Tracking #: 100000029CMR, 100000029CDR,  
100000029CVR

State: Washington

Filing Company:

Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties

Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

**Comments:**

(a) A custom rated group is any group which receives a non-age banded standard tiered set of rates for all employees. A group in this case is an employer who purchases their health insurance products through the MBA. In order to be eligible to receive custom rates, the group must have at least 50 employees or be individually approved as an exception. The exception project is largely a creature of historical significance. The exception would occur where the coverage is moving from one Regence BlueShield association to another. This is incredibly rare, because Regence BlueShield associations are bona fide.

(b) New member groups of 125+ employees that have claims data available are experience rated. Member groups with less than 125 employees receive a blended rate that is revenue neutral to categories 0-2. The only exception to a revenue neutral rate is where the rate is lowered based on competitive information. Regence BlueShield creates the blended rate by taking the current census and calculating the total premium for a specific age banded category and then setting 4 tier rates that result in the same premium as the age banded quote. There are rare instances where knowledge of competitive pricing may be used to adjust the rates. At the Association renewal, each custom rated group is assigned a unique rate increase that is added to their current rates. The general agent assigns the group specific rate increase with the intent to balance the overall needed premium increase for the association renewal. An individual participants health status (or medical condition) is not a factor when determining the rate category. Regence underwriting reviews and approves the overall premium increase for the Association as a whole.

**Related Objection 3**

Applies To:

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Pages 5 through 10 of the rate schedule list many Custom Rated Groups with a composite family tier rate structure for each Group.

(a) Please define what you mean by a Custom Rated Group and how you define a Group in this case.

(b) For EACH Custom Rated Group, please explain in detail how you developed the rate schedule, including factors used to develop a custom rated group.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

Comments:

SERFF Tracking #: B861-129414686 State Tracking #: 267228 Company Tracking #: 100000029CMR, 100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

Regence does not require any new or existing members of the association to provide any information regarding their health or claims history. The general agent of the MBA does ask member groups to provide a Transition of Care Questionnaire. The Transition of Care Questionnaire is not used to assign rates, but is used to ensure a smooth transition of the group onto Regence BlueShield coverage.

(a) Attached to these responses is a copy of the Transition of Care Questionnaire that a member group is asked to complete.

(b) As outlined above, any health information contained in the Transition of Care Questionnaire is not considered when assigning rates. However, other non-health information in the Transition of Care Questionnaire may impact rates. For example, the existence of a wellness program is one of the factors considered when assigning a rate category.

(c) The use of the Transition of Care Questionnaire does not violate HIPAA, 29 CFR Chapter XXV, Section 2590.702, because the health status or medical condition of a member is not used when setting rates. Regence BlueShield does not consider an individual participants health status (or medical condition) when determining rates or the rate category appropriate for the member group.

**Related Objection 4**

Applies To:

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

- a) A copy of the questions or request for information regarding health or claims history;
- b) An explanation as to how the information provided regarding health or claims history is used to determine rates;
- c) How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

**Changed Items:**

Supporting Document Schedule Item Changes	
Satisfied - Item:	Transition of Care Questionnaire
Comments:	Please see attached document as referred to in Objection #4
Attachment(s):	Transition of Care Questionnaire.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,

**SERFF Tracking #:**

B861-129414686

**State Tracking #:**

267228

**Company Tracking #:**

100000029CMR, 10000029CDR,  
100000029CVR

**State:**

Washington

**Filing Company:**

Regence BlueShield

**TOI/Sub-TOI:**

H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

**Product Name:**

Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties

**Project Name/Number:**

/100000029CMR, 100000029CDR, 100000029CVR

Shelley Swansen

# EXHIBIT

3

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR,  
100000049CDR, 100000049CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Objection Letter

Objection Letter Status	Active Suspense
Objection Letter Date	03/13/2014
Submitted Date	03/13/2014
Respond By Date	04/13/2014

Dear Shawn Soiseth,

### Introduction:

Thank you for your filing submission. Our review has been suspended because we require additional information or clarification, detailed in the objections below. Please provide us your response on or before the "Respond By" date. Failure to respond by that date will result in closure of your filing submission.

To help you respond to our objections, the following paragraphs outline some federal and state rating requirements related to group health plans.

### Rating Requirements for Large Employers

Effective January 1, 2014, the state small group community rating requirements under RCW 48.44.023, RCW 48.46.066, and RCW 48.21.045 will apply to grandfathered small group health plans only. For all non-grandfathered individual and small group health plans effective January 1, 2014, the federal community rating requirements under 45 CFR §147.102 govern the rating.

Prior to 2014 under RCW 48.44.024, RCW 48.46.068, and RCW 48.21.047, employers purchasing health plans through associations were treated as large employers regardless of their number of employees, and the plans were not subject to the state small group community rating requirements. However, the state laws did not define the "association" to be one large employer. The determination of whether the group health plan exists at the association level or at the participating individual employer level under the Affordable Care Act depends on whether the association itself constitutes "an employer" under ERISA. If the association does not qualify as an employer under ERISA, the association is irrelevant for purposes of health plan filings. If the association does meet the ACA and ERISA employer test, the association itself is considered one large employer for health plan filing purposes and the HIPAA nondiscrimination provisions are enforced on the association level.

For all large groups, including associations who qualify under the ERISA 3(5) definition of an employer, the federal Health Insurance Portability and Accountability Act (HIPAA) prohibits discrimination against participants and beneficiaries based on a health status-related factors. Specifically, a group health plan, and health insurance issuer offering group health coverage in connection with a group health plan, may not establish rules for eligibility (including continued eligibility) of any individual related to the health-related factors. Federal law prohibits use of the following factors: health status, medical condition (including both physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability. 29 CFR Chapter XXV, Section 2590.702.

As a result, under HIPAA an issuer or association must not use health-status related data or information from a specific participant, a subgroup of participants, or a participating purchasing group within the association to establish rates for the participant or the group purchaser. This includes specific health status, claims experience, participation requirements, etc. As an example, for any two similarly situated individuals (the same age and gender) within the association employer, the association health plan as the group health plan or the carrier as the issuer cannot charge higher rates for one individual simply because the one individual has more medical claim history or existing medical conditions than the other individual.

Issuers are permitted to use non-health status-related rating factors permitted by federal or state law for a particular large group health plan. Permitted factors include demographics, age, area, and gender.

With that being said, please respond to the following objections:

EXHIBIT 3, Page 1 of 3

State: Washington Filing Company: Regence BlueShield  
TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

**Objection 1**

- HCSC Rates (Supporting Document)

Comments: As required by the Washington State SERFF Health and Disability Rate Filing General Instructions, please submit a certification from a company (issuer) officer that this association group health coverage as one large group meets the requirements of HIPAA under 29 CFR Chapter XXV, Section 2590.702. You have submitted a certification signed by the Associations CEO. Since Regence BlueShield is the carrier issuing the coverage, you must submit the certification from an officer of the issuer (Regence BlueShield).

**Objection 2**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are four Categories of rates. For example, for the benefit plan Enhanced-E 10, an employee age 30 can be charged a monthly rate of \$301.92 (Category 0), \$335.47 (Category 1), \$362.67 (Category 2), or \$417.07 (Category 3). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to the replicate rate for any new or existing employee.

**Objection 3**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Page 5 and Page 6 of the rate schedule list many Custom Rated Groups with a composite family tier rate structure for each Group.

(a) Please define what you mean by a Custom Rated Group and how you define a Group in this case.

(b) For each Custom Rated Group, please explain in detail how you developed the rate schedule, including factors used to develop a custom rated group.

**Objection 4**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

a) A copy of the questions or request for information regarding health or claims history;

b) An explanation as to how the information provided regarding health or claims history is used to determine rates;

c) How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

**Objection 5**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

**Conclusion:**

Please also note that if carriers fail to comply with state or federal laws or regulations, the OIC has the authority to disapprove rates or forms under RCW 48.18.110, RCW 48.44.020, and RCW 48.46.060.

Sincerely,  
Lichiou Lee

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR,  
100000049CDR, 100000049CVR

State: Washington

Filing Company: Regence BlueShield

TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Northwest Marine Trade Association

Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/12/2014
Submitted Date	11/12/2014

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Dear Lichiou Lee,

### Introduction:

Below please find the responses to all objections. Thank you.

### Response 1

#### Comments:

# EXHIBIT

4

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR, 100000049CDR,  
100000049CVR

State: Washington

Filing Company: Regence BlueShield

TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association

Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/11/2014
Submitted Date	04/11/2014

Dear Lichiou Lee,

### Introduction:

The Northwest Marine Trade Association's purpose is to serve, promote and protect the viability of the marine trades industries in Washington while offering coverage through the NMTA's Health Insurance Trust to Washington residents. To be successful, the health care program must meet the twin goals of offering competitive prices while maintaining financial stability. The rating methodology used by the NMTA is critical in their ability to meet these goals. However, the NMTA does not use health-status related data or information from a specific participant to establish rates for the participant. As such, NMTA's filed rates comply with all applicable federal and state laws.

### Response 1

#### Comments:

Attached to these responses is a certification from Regence BlueShield regarding the filing status for the NMTA.

### Related Objection 1

Applies To:

- HCSC Rates (Supporting Document)

Comments: As required by the Washington State SERFF Health and Disability Rate Filing General Instructions, please submit a certification from a company (issuer) officer that this association group health coverage as one large group meets the requirements of HIPAA under 29 CFR Chapter XXV, Section 2590.702. You have submitted a certification signed by the Associations CEO. Since Regence BlueShield is the carrier issuing the coverage, you must submit the certification from an officer of the issuer (Regence BlueShield).

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied - Item:	HIPAA AHP Certification Letter
Comments:	HIPAA AHP Certification letter attached per request in Objection #1
Attachment(s):	HIPAA AHP Certification Letter- NMTA RBS.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

EXHIBIT 4, Page 1 of 5

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR, 100000049CDR,  
100000049CVR

State: Washington

Filing Company:

Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association

Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

#### Comments:

The NMTA utilizes three rating categories for new member groups, and four rating categories for member groups that renew with the trust. Each new member group is placed in rating category 0-2. NMTA uses categories 0 & 1 for new member groups that are not currently receiving Regence direct coverage. New member groups placed in category 0 must meet the following criteria: (1) be a part of a stable industry group; (2) currently receive coverage in a group health plan offered by a Regence BlueShield competitor; (3) maintain at least ten enrolled employees; (4) maintain an average population age 44 or less; and (5) maintain a male percentage of 77% or greater. Other new member groups not currently insured through Regence BlueShield are placed in category 1 or 2 depending on the competitive position of our quote. All new member groups moving from Regence direct to the NMTA receive category 2 rates. An individual participants health status (or medical condition) is not a factor when determining the rating category.

Renewal groups are either left in their current category or moved to a new category at renewal with the goal of balancing the overall needed premium increase for the associations renewal. Member groups may be moved from their current categories based on the following factors: (1) member group demographics and enrollment changes; (2) geographical location of employees; (3) member group contribution; (4) current benefit selection; (5) participation in wellness and prevention programs; (6) length of participation in the trust; and (7) the overall claims experience of the NMTA. An individual participants health status (or medical condition) is not a factor when determining the new rate category.

For new member groups, the general agent for the Association assigns the new business rate categories, which are reviewed & approved by Regence underwriting upon enrollment. For renewal rate categories, the general agent moves member groups into the appropriate renewal category. Regence underwriting reviews and approves the overall premium increase for the Association as a whole.

#### Related Objection 2

Applies To:

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are four Categories of rates. For example, for the benefit plan Enhanced-E 10, an employee age 30 can be charged a monthly rate of \$301.92 (Category 0), \$335.47 (Category 1), \$362.67(Category 2), or \$417.07(Category 3). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to the replicate rate for any new or existing employee.

#### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### Response 3

Comments:

SERFF Tracking #: B861-129416259 State Tracking #: 267175 Company Tracking #: 100000049CMR, 100000049CDR, 100000049CVR  
State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

(a) A custom rated group is any group which receives a non-age banded standard tiered set of rates for all employees. A group in this case is an employer who purchases their health insurance products through the NMTA. In order to be eligible to receive custom rates, the group must have at least 50 employees or be individually approved as an exception. The exception project is largely a creature of historical significance. The exception would occur where the coverage is moving from one Regence BlueShield association to another. This is incredibly rare, because Regence BlueShield associations are bona fide.

(b) New member groups of 125+ employees that have claims data available are experience rated. Member groups with less than 125 employees receive a blended rate that is revenue neutral to categories 0-2. The only exception to a revenue neutral rate is where the rate is lowered based on competitive information. Regence BlueShield creates the blended rate by taking the current census and calculating the total premium for a specific age banded category and then setting 4 tier rates that result in the same premium as the age banded quote. There are rare instances where knowledge of competitive pricing may be used to adjust the rates. At the Association renewal, each custom rated group is assigned a unique rate increase that is added to their current rates. The general agent assigns the group specific rate increase with the intent to balance the overall needed premium increase for the association renewal. An individual participants health status (or medical condition) is not a factor when determining the rate category. Regence underwriting reviews and approves the overall premium increase for the Association as a whole.

### Related Objection 3

Applies To:

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Page 5 and Page 6 of the rate schedule list many Custom Rated Groups with a composite family tier rate structure for each Group.

(a) Please define what you mean by a Custom Rated Group and how you define a Group in this case.

(b) For each Custom Rated Group, please explain in detail how you developed the rate schedule, including factors used to develop a custom rated group.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 4

Comments:

SERFF Tracking #: B861-129416259 State Tracking #: 267175 Company Tracking #: 10000049CMR, 10000049CDR, 10000049CVR

State: Washington Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association

Project Name/Number: /10000049CMR, 10000049CDR, 10000049CVR

Regence does not require any new or existing members of the association to provide any information regarding their health or claims history. The general agent of the NMTA does ask member groups to provide a Transition of Care Questionnaire. The Transition of Care Questionnaire is not used to assign rates, but is used to ensure a smooth transition of the group onto Regence BlueShield coverage.

- (a) Attached to these responses is a copy of the Transition of Care Questionnaire that a member group is asked to complete.
- (b) As outlined above, any health information contained in the Transition of Care Questionnaire is not considered when assigning rates. However, other non-health information in the Transition of Care Questionnaire may impact rates. For example, the existence of a wellness program is one of the factors considered when assigning a rate category.
- (c) The use of the Transition of Care Questionnaire does not violate HIPAA, 29 CFR Chapter XXV, Section 2590.702, because the health status or medical condition of a member is not used when setting rates. Regence BlueShield does not consider an individual participants health status (or medical condition) when determining rates or the rate category appropriate for the member group.

**Related Objection 4**

Applies To:

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

- a) A copy of the questions or request for information regarding health or claims history;
- b) An explanation as to how the information provided regarding health or claims history is used to determine rates;
- c) How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied - Item:	Transition of Care Questionnaire
Comments:	Transition of Care Questionnaire attached per request in Objection #4
Attachment(s):	Transition of Care Questionnaire.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 5**

Comments:

SERFF Tracking #: B861-129416259 State Tracking #: 267175

Company Tracking #: 100000049CMR, 100000049CDR,  
100000049CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

Per the Washington State SERFF Health and Disability Rate Filing General Instructions in Section III, E, 2, i, Do not need to include proprietary information (WAC284-43-950 form) as a separate filing if: (i.) This is a new group filing. NMTA is a new Association filing effective 1/1/2014.

**Related Objection 5**

Applies To:

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Shelley Swansen

# EXHIBIT

5

State: Washington Filing Company: Regence BlueShield  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
 Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
 Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

**Objection Letter**

Objection Letter Status Active Suspense  
 Objection Letter Date 07/03/2014  
 Submitted Date 07/03/2014  
 Respond By Date 08/04/2014

Dear Shawn Solseth,

**Introduction:**

Thank you for your filing submission. Our review has been suspended because we require additional information or clarification, detailed in the objections below. Please provide us your response on or before the "Respond By" date. Failure to respond by that date will result in closure of your filing submission.

To help you respond to our objections, the following paragraphs outline some federal and state rating requirements related to group health plans.

*Rating Requirements for Large Employers*

Effective January 1, 2014, the state small group community rating requirements under RCW 48.44.023, RCW 48.46.066, and RCW 48.21.045 will apply to grandfathered small group health plans only. For all non-grandfathered individual and small group health plans effective January 1, 2014, the federal community rating requirements under 45 CFR §147.102 govern the rating.

Prior to 2014 under RCW 48.44.024, RCW 48.46.068, and RCW 48.21.047, employers purchasing health plans through associations were treated as large employers regardless of their number of employees, and the plans were not subject to the state small group community rating requirements. However, the state laws did not define the "association" to be one large employer. The determination of whether the group health plan exists at the association level or at the participating individual employer level under the Affordable Care Act depends on whether the association itself constitutes "an employer" under ERISA. If the association does not qualify as an employer under ERISA, the association is irrelevant for purposes of health plan filings. If the association does meet the ACA and ERISA employer test, the association itself is considered one large employer for health plan filing purposes and the HIPAA nondiscrimination provisions are enforced on the association level.

For all large groups, including associations who qualify under the ERISA 3(5) definition of an employer, the federal Health Insurance Portability and Accountability Act (HIPAA) prohibits discrimination against participants and beneficiaries based on a health status-related factors. Specifically, a group health plan, and health insurance issuer offering group health coverage in connection with a group health plan, may not establish rules for eligibility (including continued eligibility) of any individual related to the health-related factors. Federal law prohibits use of the following factors: health status, medical condition (including both physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability. 29 CFR Chapter XXV, Section 2590.702.

As a result, under HIPAA an issuer or association must not use health-status related data or information from a specific participant, a subgroup of participants, or a participating purchasing group within the association to establish rates for the participant or the group purchaser. This includes specific health status, claims experience, participation requirements, etc. As an example, for any two similarly situated individuals (the same age and gender) within the association employer, the association health plan as the group health plan or the carrier as the issuer cannot charge higher rates for one individual simply because the one individual has more medical claim history or existing medical conditions than the other individual.

Issuers are permitted to use non-health status-related rating factors permitted by federal or state law for a particular large group health plan. Permitted factors include demographics, age, area, and gender.

With that being said, please respond to the following objections:

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

**Objection 1**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are five Categories of rates. For example, for the benefit plan Enhanced-E 30, an employee age 30 can be charged a monthly rate of \$264.36 (Category 0), \$293.72 (Category 1), \$335.69 (Category 2), \$386.04 (Category 3), or \$443.95 (Category 4). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to replicate the rate for any new or existing employee.

**Objection 2**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Pages 5 and 7 of the rate schedule list some custom rated groups.

(a) Please explain in detail why these groups are rated separately.

(b) Explain in detail how you developed the rate schedule for each of these groups, including factors used to develop each group.

**Objection 3**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please explain in detail what you meant by Uncommon Elig in Page 8 of the rate schedule.

**Objection 4**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

a) A copy of the questions or request for information regarding health or claims history;

b) An explanation as to how the information provided regarding health or claims history is used to determine rates;

c) How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

**Objection 5**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

**Objection 6**

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

**Conclusion:**

Please also note that if carriers fail to comply with state or federal laws or regulations, the OIC has the authority to disapprove rates or forms under RCW 48.18.110, RCW 48.44.020, and RCW 48.46.060.

Sincerely,  
Lichiou Lee

# EXHIBIT

6

SERFF Tracking #: B861-129515926 State Tracking #: 269904 Company Tracking #: 10000030CMR, 10000030CDR, 10000030CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
Project Name/Number: /10000030CMR, 10000030CDR, 10000030CVR

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/01/2014  
Submitted Date 08/01/2014

Dear Lichiou Lee,

### Introduction:

As part of the Building Industry Association of Washington's purpose of serving, promoting and protecting the viability of the housing and remodeling industries in Washington, the BIAW's Health Insurance Trust covers over 559 companies and 11,000 Washington residents. To be successful, the health care program must meet the twin goals of offering competitive prices while maintaining financial stability. The rating methodology used by the BIAW is critical in their ability to meet these goals. However, the BIAW does not use health-status related data or information from a specific participant to establish rates for the participant. As such, BIAW's filed rates comply with all applicable federal and state laws.

### Response 1

#### Comments:

The BIAW utilizes three rating categories for new member groups, and five rating categories for member groups that renew with the trust. Each new member group is placed in rating category 0-2. BIAW uses categories 0 & 1 for new member groups that are not currently receiving Regence direct coverage. New member groups placed in category 0 must meet the following criteria: (1) be a part of a stable industry group; (2) currently receive coverage in a group health plan offered by a Regence BlueShield competitor; (3) provide current and renewal rates; (4) maintain at least ten enrolled employees; (5) maintain an average population age 44 or less; and (6) maintain a male percentage of 79% or greater. Other new member groups not currently insured through Regence BlueShield are placed in category 1 or 2 depending on the competitive position of our quote. All new member groups moving from merit sized Regence direct to the BIAW receive category 2 rates. An individual participants health status (or medical condition) is not a factor when determining the rating category.

Renewal groups are either left in their current category or moved to a new category at renewal with the goal of balancing the overall needed premium increase for the associations renewal. Member groups may be moved from their current categories based on the following factors: (1) member group demographics and enrollment changes; (2) geographical location of employees; (3) member group contribution; (4) current benefit selection; (5) participation in wellness and prevention programs; (6) length of participation in the trust; and (7) the overall claims experience of the BIAW. An individual participants health status (or medical condition) is not a factor when determining the new rate category.

For new member groups, the general agent for the Association assigns the new business rate categories, which are reviewed & approved by Regence upon enrollment. For renewal rate categories, the general agent moves member groups into the appropriate renewal category. Regence reviews and approves the overall premium increase for the Association as a whole.

### Related Objection 1

#### Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

SERFF Tracking #: B861-129515926 State Tracking #: 269904 Company Tracking #: 10000030CMR, 10000030CDR, 10000030CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
Project Name/Number: /10000030CMR, 10000030CDR, 10000030CVR

Comments: In the rate schedule, for the same age band, family tier and benefit plan, there are five Categories of rates. For example, for the benefit plan Enhanced-E 30, an employee age 30 can be charged a monthly rate of \$264.36 (Category 0), \$293.72 (Category 1), \$335.69 (Category 2), \$386.04(Category 3), or \$443.95(Category 4). Please explain in detail how you define a rate category including factors used to assign a rate category. Your response must be detailed enough to allow us to the replicate rate for any new or existing employee.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 2**

**Comments:**

(a) If requested, a group with 50 or more enrolled employees may be offered a custom rate. Regence recognizes that for larger groups, administering an age banded rate structure can be administratively cumbersome. In an effort to partner with our groups, Regence will calculate custom rates when applicable. In order to be eligible to receive custom rates, the group must have at least 50 employees or be individually approved as an exception. The exception process is largely a creature of historical significance. The exception would occur where the coverage is moving from one Regence BlueShield association to another. This is incredibly rare, because Regence BlueShield associations are bona fide.

(b) New member groups of 125+ employees that have claims data available are experience rated. Member groups with less than 125 employees receive a blended rate that is revenue neutral to categories 0-2. The only exception to a revenue neutral rate is where the rate is lowered based on competitive information. Regence BlueShield creates the blended rate by taking the current census and calculating the total premium for a specific age banded category and then setting 4 tier rates that result in the same premium as the age banded quote. There are rare instances where knowledge of competitive pricing may be used to adjust the rates. At the Association renewal, each custom rated group is assigned a unique rate increase that is added to their current rates. The general agent assigns the group specific rate increase with the intent to balance the overall needed premium increase for the association renewal. An individual participants health status (or medical condition) is not a factor when determining the rate category. Regence reviews and approves the overall premium increase for the Association as a whole.

**Related Objection 2**

Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Pages 5 and 7 of the rate schedule list some custom rated groups.

(a) Please explain in detail why these groups are rated separately.

(b) Explain in detail how you developed the rate schedule for each of these groups, including factors used to develop each group.

**Changed Items:**

SERFF Tracking #: B861-129515926 State Tracking #: 269904 Company Tracking #: 100000030CMR, 100000030CDR,  
100000030CVR  
State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare  
Benefits Trust  
Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 3

#### Comments:

Uncommon Eligibility refers to groups that elect a dental plan but do not require employees to take both the dental and the medical plans. In such cases, we will often have dental enrollment significantly below medical enrollment. The rates for these plans are listed under Uncommon Eligibility.

### Related Objection 3

Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please explain in detail what you meant by Uncommon Elig in Page 8 of the rate schedule.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 4

#### Comments:

Regence does not require any new or existing members of the association to provide any information regarding their health or claims history. The general agent of the BIAW does ask member groups to provide a Transition of Care Questionnaire. The Transition of Care Questionnaire is not used to assign rates, but is used to ensure a smooth transition of the group onto Regence BlueShield coverage.

(a) Attached to these responses is a copy of the Transition of Care Questionnaire that a member group is asked to complete.

(b) As outlined above, any health information contained in the Transition of Care Questionnaire is not considered when assigning rates. However, other non-health information in the Transition of Care Questionnaire may impact rates. For example, the existence of a wellness program is one of the factors considered when assigning a rate category.

(c) The use of the Transition of Care Questionnaire does not violate HIPAA, 29 CFR Chapter XXV, Section 2590.702, because the health status or medical condition of a member is not used when setting rates. Regence BlueShield does not consider an individual participants health status (or medical condition) when determining rates or the rate category appropriate for the member group.

SERFF Tracking #: B861-129515926

State Tracking #: 269904

Company Tracking #: 10000030CMR, 10000030CDR, 10000030CVR

State: Washington

Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust

Project Name/Number: /10000030CMR, 10000030CDR, 10000030CVR

**Related Objection 4**

Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please explain whether you or the association requires any new or existing members of the association to provide any information regarding their health or claims history. If yes, please provide the following information:

- a) A copy of the questions or request for information regarding health or claims history;
- b) An explanation as to how the information provided regarding health or claims history is used to determine rates;
- c) How the rate setting using the information on health or claims history complies with the requirements under HIPAA, 29 CFR Chapter XXV, Section 2590.702.

Please note that if a questionnaire or similar document is used as part of the application for the health coverage, it must be included in the form filing.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied - Item: Transition of Care Questionnaire

Comments: Please see attached Transition of Care Questionnaire as referred to in objection 4

Attachment(s): Transition of Care Questionnaire.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 5**

Comments:

The information required under WAC 284-43-950 is attached to the proprietary filing in the Rate/Rule Schedule tab for both ANH (SERFF Tr Num: B861-129515849) and RBS (SERFF Tr Num: B861-129515810).

**Related Objection 5**

Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #: B861-129515926 State Tracking #: 269904 Company Tracking #: 100000030CMR, 100000030CDR, 100000030CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

No Rate/Rule Schedule items changed.

#### Response 6

##### Comments:

The information required under WAC 284-43-950 is attached to the proprietary filing in the Rate/Rule Schedule tab for both ANH (SERFF Tr Num: B861-129515849) and RBS (SERFF Tr Num: B861-129515810).

#### Related Objection 6

Applies To:

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide the information required under WAC 284-43-950.

#### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### Conclusion:

Sincerely,  
Shelley Swansen

# EXHIBIT

7

State: Washington Filing Company: Regence BlueShield  
TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Objection Letter

Objection Letter Status Active Suspense  
Objection Letter Date 10/28/2014  
Submitted Date 10/29/2014  
Respond By Date 11/05/2014

---

Dear Shawn Soiseth,

**Introduction:**

Please respond to the following objections by the Respond By date. Please include all relevant facts and circumstances.

**Objection 1**

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the four rate categories are based.

**Objection 2**

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Please provide how the employer (the Master Builders Association of King and Snohomish) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

**Objection 3**

- Pooled rate filing full negotiated, [WA0114BPRFX, WA0114BINNX, WA0114BHSAX, WA0114BENGX, WA0114BEXPX, WA0114BENCX, WA0114BVISCX] (Rate)

Comments: Please provide how this classification is consistent with the employers (the Master Builders Association of King and Snohomish) usual business practice.

**Conclusion:**

Sincerely,  
Lichou Lee

# EXHIBIT

8

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Objection Letter

Objection Letter Status Active Suspense  
Objection Letter Date 10/28/2014  
Submitted Date 10/29/2014  
Respond By Date 11/05/2014

---

Dear Shawn Soiseth,

**Introduction:**

Please respond to the following objections by the Respond By date. Please include all relevant facts and circumstances.

**Objection 1**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the four rate categories are based.

**Objection 2**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please provide how the employer (Northwest Marine Trade Association) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

**Objection 3**

- Pooled rate filing full negotiated, [WW0114BPRFX, WW0114BINNX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0114BENCX, WW0114BVISCX] (Rate)

Comments: Please provide how this classification is consistent with the employers (the Northwest Marine Trade Associations) usual business practice.

**Conclusion:**

Sincerely,  
Lichiou Lee

# EXHIBIT

9

SERFF Tracking #: B861-129515926

State Tracking #: 269904

Company Tracking #: 100000030CMR,

100000030CDR, 100000030CVR

State: Washington

Filing Company: Regence BlueShield

TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust

Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

## Objection Letter

Objection Letter Status	Active Suspense
Objection Letter Date	10/28/2014
Submitted Date	10/29/2014
Respond By Date	11/05/2014

---

Dear Shawn Soiseth,

### Introduction:

Please respond to the following objections by the Respond By date. Please include all relevant facts and circumstances.

### Objection 1

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the five rate categories are based.

### Objection 2

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide how the employer (the Building Industry Association) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

### Objection 3

- Rate filing full negotiated, [WW0114BPRFX, WW0114BHSAX, WW0114BENGX, WW0114BEXPX, WW0113BENCX, WW0114BVISCX] (Rate)

Comments: Please provide how this classification is consistent with the employers (the Building Industry associations) usual business practice.

### Conclusion:

Sincerely,  
Lichiou Lee

# EXHIBIT

10

SERFF Tracking #: B861-129414686

State Tracking #: 267228

Company Tracking #: 100000029CMR,  
100000029CDR, 100000029CVR

State: Washington

Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties

Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/12/2014
Submitted Date	11/12/2014

---

Dear Lichiou Lee,

### Introduction:

Below please find the responses to all objections. Thank you.

### Response 1

#### Comments:

SERFF Tracking #: B861-129414686

State Tracking #: 267228

Company Tracking #: 100000029CMR,  
100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

Objection 1

Pooled rate filing full negotiated (Rate)

Comments:

Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the four rate categories are based.

Response:

Under all applicable laws, Regence may use the four rate categories when rating subgroups. The use of the four rate categories is consistent with 26 CFR 54.9802-1. Each subgroup may be treated separately as each subgroup is an independent ongoing business. Each subgroup is managed separately from other subgroups. Employment criteria, employment needs, benefit mix, may be unique to each subgroup. None of these criteria are based on the purchase of health insurance. Moreover, none of the similarly situated persons in each group are discriminated against based on health status.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 2

Pooled rate filing full negotiated (Rate)

Comments:

Please provide how the employer (the Master Builders Association of King and Snohomish) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

Response:

Through the bona fide employment-based classifications summarized above, each subgroup may be treated as a distinct group of similarly situated persons. As such, Regence uses the following rating methodology to rate each subgroup:

Please see the proprietary rating methodology information provided in the 4/7/2014 objection response letter to the Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA Master Builders Association of King and Snohomish Counties - Proprietary, SERFF Tr Num: B861-129399488.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 3

Pooled rate filing full negotiated (Rate)

Comments:

Please provide how this classification is consistent with the employers (the Master Builders Association of King and Snohomish's) usual business practice.

Response:

The associations usual business practice is to assist association member groups with a variety of tools and benefits. The rating methodology and the classification of employer subgroups have not changed in many years, and is part of the associations usual business practice.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of

SERFF Tracking #: B861-129414686

State Tracking #: 267228

Company Tracking #: 100000029CMR,  
100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Shelley Swansen

# EXHIBIT

11

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR,  
100000049CDR, 100000049CVR

State: Washington

Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association

Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/12/2014
Submitted Date	11/12/2014

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Dear Lichiou Lee,

**Introduction:**

Below please find the responses to all objections. Thank you.

**Response 1**

**Comments:**

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

Objection 1

Pooled Rate filing full negotiated (Rate)

Comments:

Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the four rate categories are based.

Response:

Under all applicable laws, Regence may use the four rate categories when rating subgroups. The use of the four rate categories is consistent with 26 CFR 54.9802-1. Each subgroup may be treated separately as each subgroup is an independent ongoing business. Each subgroup is managed separately from other subgroups. Employment criteria, employment needs, benefit mix, may be unique to each subgroup. None of these criteria are based on the purchase of health insurance. Moreover, none of the similarly situated persons in each group are discriminated against based on health status.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 2

Pooled Rate filing full negotiated (Rate)

Comments:

Please provide how the employer (Northwest Marine Trade Association) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

Response:

Through the bona fide employment-based classifications summarized above, each subgroup may be treated as a distinct group of similarly situated persons. As such, Regence uses the following rating methodology to rate each subgroup:

Please see the proprietary rating methodology information provided in the 4/11/2014 objection response letter to the Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA Northwest Marine Trade Association, SERFF Tr Num: B861-129416259.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 3

Pooled Rate filing full negotiated (Rate)

Comments:

Please provide how this classification is consistent with the employers (the Northwest Marine Trade Associations) usual business practice.

Response:

The associations usual business practice is to assist association member groups with a variety of tools and benefits. The rating methodology and the classification of employer subgroups have not changed in many years, and is part of the associations usual business practice.

SERFF Tracking #: B861-129416259 State Tracking #: 267175

Company Tracking #: 100000049CMR,  
100000049CDR, 100000049CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA -  
Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Shelley Swansen

# EXHIBIT

12

SERFF Tracking #: B861-129515926 State Tracking #: 269904

Company Tracking #: 100000030CMR,  
100000030CDR, 100000030CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association  
of Washington Health and Welfare Benefits Trust  
Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/12/2014
Submitted Date	11/12/2014

---

Dear Lichiou Lee,

**Introduction:**

Below please find the responses to all objections. Thank you.

**Response 1**

**Comments:**

SERFF Tracking #: B861-129515926 State Tracking #: 269904

Company Tracking #: 100000030CMR;  
100000030CDR, 100000030CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

Objection 1

Rate filing full negotiated (Rate)

Comments:

Attach a copy of the tri-department rule. Pursuant to 26 CFR § 54.98021(d), please identify the bona fide employment-based classification upon which the five rate categories are based.

Response:

Under all applicable laws, Regence may use the five rate categories when rating subgroups. The use of the five rate categories is consistent with 26 CFR 54.9802-1. Each subgroup may be treated separately as each subgroup is an independent ongoing business. Each subgroup is managed separately from other subgroups. Employment criteria, employment needs, benefit mix, may be unique to each subgroup. None of these criteria are based on the purchase of health insurance. Moreover, none of the similarly situated persons in each group are discriminated against based on health status.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 2

Rate filing full negotiated (Rate)

Comments:

Please provide how the employer (the Building Industry Association) uses the bona fide employment-based classification for purposes independent of qualifying for health coverage.

Response:

Through the bona fide employment-based classifications summarized above, each subgroup may be treated as a distinct group of similarly situated persons. As such, Regence uses the following rating methodology to rate each subgroup:

Please see the proprietary rating methodology information provided in the 8/1/2014 objection response letter to the Pooled Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington - Proprietary (Rate), SERFF Tr Num: B861-129515849.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

Objection 3

Rate filing full negotiated (Rate)

Comments:

Please provide how this classification is consistent with the employers (the Building Industry associations) usual business practice.

Response:

The associations usual business practice is to assist association member groups with a variety of tools and benefits. The rating methodology and the classification of employer subgroups have not changed in many years, and is part of the associations usual business practice.

Regence's Legal Department has a meeting scheduled with AnnaLisa Gellerman of the OIC on November 25, 2014. The purpose of

SERFF Tracking #: B861-129515926

State Tracking #: 269904

Company Tracking #: 100000030CMR,  
100000030CDR, 100000030CVR

State: Washington

Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust

Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

the meeting is to discuss rating factors and rating criteria that a bona fide association health plan may use when setting rates for the association.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,  
Shelley Swansen

# EXHIBIT

13

SERFF Tracking #: B861-129414686 State Tracking #: 267228 Company Tracking #: 100000029CMR, 100000029CDR, 100000029CVR

State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties  
Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

## Disposition

Disposition Date: 01/15/2015

Implementation Date:

Status: Disapproved

HHS Status: HHS Denied

State Review: Reviewed by Actuary

Comment: Your rate and form filings for Master Builders Association of King and Snohomish Counties are disapproved and closed under the authority of RCW 48.44.020(3).

The rating methodology and rates filed on behalf of Master Builders Association of King and Snohomish Counties and the Master Builders Association of King and Snohomish Counties Employee Benefit Group Insurance Trust are inconsistent with the fact that you filed one single large employer group.

In the rate schedule, there are 4 Rate Categories for each plan design. For example, for the Enhanced E10 Plan, an employee age between 35 to 49 can be charged a monthly rate ranging from \$498.42 to \$688.50. In our rate objections, we asked you to explain in detail how you define a Rate Category and the factors used to assign an employee to a Rate Category. We also asked you to provide detailed calculations of the rates assigned to each Rate Category. Your response to the first objection letter indicated that you have separately rated various "member groups" within Master Builders Association of King and Snohomish Counties. You also stated at the Association renewal, each "custom rated group" is assigned a unique rate increase that is added to their current rates. 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 4 Rate Categories 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.) You stated that "each subgroup" may be treated separately as each subgroup is an independent ongoing business. You further stated that each subgroup is managed separately from other subgroups and "employment" criteria, "employment" needs, benefit mix, may be unique to each subgroup. Your response reiterated that you have separately rated various "member groups." Your response also failed to identify how each Risk Level is related to bona fide employment-based classifications.

This tells us that your rates, filed for various employers, are unreasonable in relation to the amount charged for the contract for one single employer, Master Builders Association of King and Snohomish Counties. Therefore, your rate and form filings are disapproved and closed under the authority of RCW 48.44.020(3).

As a result of this disapproval, it is necessary for all current enrollees to be transitioned to a compliant plan as soon as possible. Please contact the Deputy Insurance Commissioner for Rates and Forms to discuss your plan to transition current enrollees to a compliant plan, including the proposed notice and replacement rate schedule.

SERFF Tracking #: B861-129414686

State Tracking #: 267228

Company Tracking #: 100000029CMR, 100000029CDR,  
100000029CVR

State: Washington

Filing Company: Regence BlueShield

TO/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Master Builders Association of King and Snohomish Counties

Project Name/Number: /100000029CMR, 100000029CDR, 100000029CVR

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Disability Associations		Yes
Supporting Document	Disability Rates		Yes
Supporting Document	HCSC Rates		Yes
Supporting Document	PPACA Exemption Request		Yes
Supporting Document	Transition of Care Questionnaire		Yes
Supporting Document	HIPAA AHP Certificaion Letter - RBS		Yes
Rate (revised)	Pooled rate filing full negotiated		Yes
Rate	Pooled rate filing full negotiated		Yes

# EXHIBIT

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SERFF Tracking #: B861-129416259 State Tracking #: 267175 Company Tracking #: 100000049CMR, 100000049CDR, 100000049CVR  
State: Washington Filing Company: Regence BlueShield  
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association  
Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

## Disposition

Disposition Date: 01/15/2015

Implementation Date:

Status: Disapproved

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HHS Status: HHS Denied

State Review: Reviewed by Actuary

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Comment: Your rate and form filings for Northwest Marine Trade Association are disapproved and closed under the authority of RCW 48.44.020(3).

The rating methodology and rates filed on behalf of Northwest Marine Trade Association and the Northwest Marine Trade Association Health Trust are inconsistent with the fact that you filed one single large employer group.

In the rate schedule, there are 4 Rate Categories for each plan design. For example, for the Enhanced E10 Plan, an employee age between 35 to 49 can be charged a monthly rate ranging from \$498.42 to \$688.50. In our rate objections, we asked you to explain in detail how you define a Rate Category and the factors used to assign an employee to a Rate Category. We also asked you to provide detailed calculations of the rates assigned to each Rate Category. Your response to the first objection letter indicated that you have separately rated various "member groups" within Northwest Marine Trade Association. You also stated at the Association renewal, each "custom rated group" is assigned a unique rate increase that is added to their current rates. 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 4 Rate Categories 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.) You stated that "each subgroup" may be treated separately as each subgroup is an independent ongoing business. You further stated that each subgroup is managed separately from other subgroups and "employment" criteria, "employment" needs, benefit mix, may be unique to each subgroup. Your response reiterated that you have separately rated various "member groups." Your response also failed to identify how each Risk Level is related to bona fide employment-based classifications.

This tells us that your rates, filed for various employers, are unreasonable in relation to the amount charged for the contract for one single employer, Northwest Marine Trade Association. Therefore, your rate and form filings are disapproved and closed under the authority of RCW 48.44.020(3).

As a result of this disapproval, it is necessary for all current enrollees to be transitioned to a compliant plan as soon as possible. Please contact the Deputy Insurance Commissioner for Rates and Forms to discuss your plan to transition current enrollees to a compliant plan, including the proposed notice and replacement rate schedule.

Rate data does NOT apply to filing.

SERFF Tracking #: B861-129416259

State Tracking #: 267175

Company Tracking #: 100000049CMR, 100000049CDR,  
100000049CVR

State: Washington

Filing Company:

Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Rate Filing Full Negotiated Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Northwest Marine Trade Association

Project Name/Number: /100000049CMR, 100000049CDR, 100000049CVR

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Disability Associations		Yes
Supporting Document	Disability Rates		Yes
Supporting Document	HCSC Rates		Yes
Supporting Document	PPACA Exemption Request		Yes
Supporting Document	HIPAA AHP Certification Letter		Yes
Supporting Document	Transition of Care Questionnaire		Yes
Rate	Pooled rate filing full negotiated		Yes

# EXHIBIT

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SERFF Tracking #: B861-129515926

State Tracking #: 269904

Company Tracking #: 100000030CMR, 100000030CDR,  
100000030CVR

State: Washington

Filing Company: Regence BlueShield

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust

Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

## Disposition

Disposition Date: 01/15/2015

Implementation Date:

Status: Disapproved

HHS Status: HHS Denied

State Review: Reviewed by Actuary

Comment: Your rate and form filings for Building Industry Association of Washington Health and Welfare Benefits Trust are disapproved and closed under the authority of RCW 48.44.020(3).

The rating methodology and rates filed on behalf of Building Industry Association of Washington and the Building Industry Association of Washington Employee Benefit Group Insurance Trust formerly known as the Building Industry Association of Washington Health and Welfare Benefits Trust are inconsistent with the fact that you filed one single large employer group.

In the rate schedule, there are 5 Rate Categories for each plan design. For example, for the E30 Plan, an employee age between 35 to 49 can be charged a monthly rate ranging from \$404.64 to \$679.55. In our rate objections, we asked you to explain in detail how you define a Rate Category and the factors used to assign an employee to a Rate Category. We also asked you to provide detailed calculations of the rates assigned to each Rate Category. Your response to the first objection letter indicated that you have separately rated various "member groups" within Building Industry Association of Washington. You also stated at the Association renewal, each "custom rated group" is assigned a unique rate increase that is added to their current rates. 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 5 Rate Categories 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.) You stated that "each subgroup" may be treated separately as each subgroup is an independent ongoing business. You further stated that each subgroup is managed separately from other subgroups and "employment" criteria, "employment" needs, benefit mix, may be unique to each subgroup. Your response reiterated that you have separately rated various "member groups." Your response also failed to identify how each Risk Level is related to bona fide employment-based classifications.

This tells us that your rates, filed for various employers, are unreasonable in relation to the amount charged for the contract for one single employer, Building Industry Association of Washington. Therefore, your rate and form filings are disapproved and closed under the authority of RCW 48.44.020(3).

As a result of this disapproval, it is necessary for all current enrollees to be transitioned to a compliant plan as soon as possible. Please contact the Deputy Insurance Commissioner for Rates and Forms to discuss your plan to transition current enrollees to a compliant plan, including the proposed notice and replacement rate schedule.

SERFF Tracking #: B861-129515926 State Tracking #: 269904 Company Tracking #: 100000030CMR, 100000030CDR, 100000030CVR

State: Washington Filing Company: Regence BlueShield  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other  
 Product Name: Association or member-governed true employer group under 29 U.S.C Section 1002(5) of ERISA - Building Industry Association of Washington Health and Welfare Benefits Trust  
 Project Name/Number: /100000030CMR, 100000030CDR, 100000030CVR

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Disability Associations		Yes
Supporting Document	PPACA Exemption Request		Yes
Supporting Document	HIPAA AHP Certification Letter		Yes
Supporting Document	Evidence as an Employer Document		Yes
Supporting Document	Transition of Care Questionnaire		Yes
Rate	Rate filing full negotiated		Yes