

§ 154.101

- 154.210 Review of rate increases subject to review by CMS or by a State.
- 154.215 Submission of disclosure to CMS for rate increases subject to review.
- 154.220 Timing of providing the Preliminary Justification.
- 154.225 Determination by CMS or a State of an unreasonable rate increase.
- 154.230 Submission and posting of Final Justifications for unreasonable rate increases.

Subpart C—Effective Rate Review Programs

- 154.301 CMS's determinations of Effective Rate Review Programs.

AUTHORITY: Section 2794 of the Public Health Service Act (42 USC 300gg-94).

SOURCE: 76 FR 29985, May 23, 2011, unless otherwise noted.

Subpart A—General Provisions

§ 154.101 Basis and scope.

(a) *Basis*. This part implements section 2794 of the Public Health Service (PHS) Act.

(b) *Scope*. This part establishes the requirements for health insurance issuers offering health insurance coverage in the small group or individual markets to report information concerning unreasonable rate increases to the Centers for Medicare & Medicaid Services (CMS). This part further establishes the process by which it will be determined whether the rate increases are unreasonable rate increases as defined in this part.

§ 154.102 Definitions.

As used in this part:

CMS means the Centers for Medicare & Medicaid Services.

Effective Rate Review Program means a State program that CMS has determined meets the requirements set forth in §154.301(a) and (b) for the relevant market segment in the State.

Federal medical loss ratio standard means the applicable medical loss ratio standard for the State and market segment involved, determined under subpart B of 45 CFR part 158.

Health insurance coverage has the meaning given the term in section 2791(b)(1) of the PHS Act.

45 CFR Subtitle A (10-1-11 Edition)

Health insurance issuer has the meaning given the term in section 2791(b)(2) of the PHS Act.

Individual market has the meaning given the term under the applicable State's rate filing laws, except that where State law does not define the term, it has the meaning given in section 2791(e)(1)(A) of the PHS Act.

Product means a package of health insurance coverage benefits with a discrete set of rating and pricing methodologies that a health insurance issuer offers in a State.

Rate increase means any increase of the rates for a specific product offered in the individual or small group market.

Rate increase subject to review means a rate increase that meets the criteria set forth in §154.200.

Secretary means the Secretary of the Department of Health and Human Services.

Small group market has the meaning given under the applicable State's rate filing laws, except that where State law does not define the term, it has the meaning given in section 2791(e)(5) of the PHS Act; provided, however, that for the purpose of this definition, "50" employees is substituted for "100" employees in the definition of "small employer" under section 2791(e)(4).

State has the meaning given the term in section 2791(d)(14) of the PHS Act.

Unreasonable rate increase means:

(1) When CMS is conducting the review required by this part, a rate increase that CMS determines under §154.205 is:

- (i) An excessive rate increase;
- (ii) An unjustified rate increase; or
- (iii) An unfairly discriminatory rate increase.

(2) When CMS adopts the determination of a State that has an Effective Rate Review Program, a rate increase that the State determines is excessive, unjustified, unfairly discriminatory, or otherwise unreasonable as provided under applicable State law.

EFFECTIVE DATE NOTE: At 76 FR 54976, Sept. 6, 2011, §154.102 was amended by revising the definitions of "individual market" and "small group market", effective . For the convenience of the user, the revised text is set forth as follows: