

WAC 284-43-6680 Geographic rating area factor development. (1)

For nongrandfathered individual or small group health plans offered, issued or renewed on or after January 1, 2014, and on or before December 31, 2018, if an issuer elects to adjust its premium rates based on geographic area, the issuer must use the geographic rating areas designated in WAC 284-43-6700.

(2) The premium ratio for the highest cost geographic rating area, when compared to the lowest cost geographic rating area, must not be more than 1.15.

(a) King County is the index geographic rating area for purposes of calculating the premium ratio. The geographic rating area factor for the index area must be set at 1.00.

(b) A health-status related factor may not be used to establish a rating factor for a geographic rating area. Health factor means any of the following:

- (i) Health status of enrollees or the population in an area;
- (ii) Medical condition of enrollees or the population in an area, including both physical and mental illnesses;
- (iii) Claims experience;
- (iv) Health services utilization in the area;
- (v) Medical history of enrollees or the population in an area;
- (vi) Genetic information of enrollees or the population in an area;
- (vii) Disability status of enrollees or the population in an area;
- (viii) Other evidence of insurability applicable in the area.

(3) Assignment of a factor to a geographic rating area must be actuarially sound and based on provider reimbursement differences. An issuer must fully document the basis for the assigned rating factors in the actuarial memo submitted with a rate filing.

(4) The geographic rating area factors must be applied uniformly to individuals or small groups applying for or receiving coverage from the issuer.

(5) For out-of-state enrollees covered under a health benefit plan issued to a Washington resident, an issuer must apply the geographic rating area factor based on the primary subscriber's Washington residence. For out-of-state enrollees who are covered under a health benefit plan issued through an employer whose primary place of business is Washington, an issuer must apply the geographic rating area factor based on the employer's primary place of business.

(6) This section does not apply to stand alone dental plans offered on the Washington health benefit exchange.

[Statutory Authority: RCW 48.02.060, 48.43.733, and 45 C.F.R. 147.102. WSR 18-07-053, § 284-43-6680, filed 3/14/18, effective 4/14/18. Statutory Authority: RCW 48.02.060, 48.44.050, 48.46.200, and 2016 c 156. WSR 16-23-019 (Matter No. R 2016-06), amended and recodified as § 284-43-6680, filed 11/4/16, effective 12/5/16. WSR 16-01-081, recodified as § 284-43-6200, filed 12/14/15, effective 12/14/15. Statutory Authority: RCW 48.02.060, 48.44.050, 48.46.200, and 45 C.F.R. 147.102. WSR 13-11-003 (Matter No. R 2013-01), § 284-170-250, filed 5/1/13, effective 6/1/13.]