

Due Diligence for Compliancy Tool for 2016 Cross-Border Health Care Coverage

The following eight compliance areas are suggested for conducting due diligence on the compliancy of cross-border health care coverage plans.

#	Compliance Area	Why is this Compliancy Area Important?	MediExcel Health Plan's Status (as of 1/8/2016)
1	Is Cross-Border Plan licensed by the CA Department of Managed Care (DMHC) or the CA Department of Insurance (CDI)?	Unless Group is self-insured or using a federal Trust, the Cross-Border Plan must be licensed by DMHC or CDI in order to satisfy employer group coverage requirements. It has been reported that some unlicensed cross-border health plans still operate. An employer will not be able to utilize a non-licensed group plan as compliant coverage under a fully insured basis.	Yes. MediExcel Health Plan (MEHP) is licensed as a full-service health plan # 933-0486 . www.dmhc.ca.gov . http://wpsso.dmhc.ca.gov/hpsearch/viewLicensedHealthPlan.aspx
2	Has regulatory authority (DMHC or CDI) approved the Cross-Border Plan product for 2016?	There are several regulatory changes for 2016 including small group size changes and implementation of the federal Mental Health Parity and Addiction Equity Act. These new federal and state requirements need to be included in all new coverage material and group contracts.	Yes. DMHC gave final approval of MEHP's 2016 small group plans on 12/30/2015 & large group plans on 1/4/2016. Copy of documentation provided on request.
3	Does 2016 Cross-Border Plan product provide Minimum Essential Coverage (MEC) and Minimum Value (MV)?	In order to be deemed as Affordable Care Act (ACA) Compliant Coverage, the product must meet MEC and MV requirements. If the cross-border plan product does not meet MEC or MV requirements, the enrolling subscriber may not be able to satisfy individual coverage requirements and the employer may face potential liability.	Yes. All MEHP 2016 large & small group health coverage plans provide MEC & MV. Please see MEHP SBC Forms on below website link which states that each plan have MEC and MV. www.mediexcel.com
4	Do the 2016 small group premium rates include the mandatory ACA taxes and fees?	ACA regulatory instructions (CMS 2016 Unified Rate Review Instructions) require the mandatory ACA Taxes and Fees (PCORI, Transitional Reinsurance, Health Insurance Provider Fee, and Risk Adjustment) be included in the development of the small group premium rate structure. Unless specifically approved by regulators, it is improper to tack on additional charges for taxes and fees to small group premium rates after regulatory rate review has been completed.	Yes. MEHP's 2016 small group premium rate structure has been developed with the integration of all applicable ACA Taxes and Fees. See MEHP Actuarial Memorandum http://wpsso.dmhc.ca.gov/ratereview/
5	Is the Cross-Border Plan under federal classification as expatriate health coverage?	The US government has developed expatriate coverage classification for US firms who have employees working outside the US for more than 180 days. Other requirements must also be met. The advantage of expatriate coverage status is that the insurer may not need to pay certain ACA taxes. However, there may be potential employer liability if a group expatriate health coverage plan is selected in which the employer's enrollees are not qualified expatriate status and the required ACA taxes are not paid to the IRS. This classification can easily be found in the Cross-Border Plan's Actuarial Memorandum in their proposed premium rate filing at: http://wpsso.dmhc.ca.gov/ratereview/	No. MEHP is not classified as expatriate health coverage. MEHP is registered with all applicable federal agencies (IRS, HHS, etc.) to pay the required ACA Taxes and Fees. See MEHP Actuarial Memorandum http://wpsso.dmhc.ca.gov/ratereview/

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6	Is Cross-Border Plan registered with National Association of Insurance Commissioners (NAIC)? If so, what is the NAIC number?	NAIC (www.naic.org) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. Registration in NAIC ensures the Cross-Border Plan can submit required federal filing documents.	Yes. MEHP is registered with NAIC. MEHP's NAIC Number is 15347 . MEHP appears on NAIC Company listing on Page 39 at: http://www.naic.org/documents/prod_serv_accounting_reporting_loc_zu.pdf
7	If Cross-Border Plan is selling small group products, is it registered with the Federal HHS Health Insurance Oversight System (HIOS) and have a HIOS Number?	<p>The federal HHS requires all market exchange and non-exchange health plan entities selling health coverage in the small group market to be registered in HIOS. HIOS registration is required for all required benefits, rates, enrollment and utilization reporting.</p> <p>If an employer offers health coverage by an entity that does not have an HIOS Number, this is a Red Flag Indicator. The broker/employer should investigate why the entity is not registered at Federal level.</p>	Yes. MEHP is registered with HHS HIOS. MEHP's HIOS Number is 18971 . To confirm, go to Federal CMS website https://www.cms.gov/ Do a search on "Medi-Excel" in quotes on the CMS search function. Click on the excel spreadsheet. Search for "Medi-Excel" or 18971.
8	If Cross-Border Plan is selling large or small group health coverage products, is it registered with the federal IRS for the ACA Health Insurance Provider Fee?	<p>A Cross-Border Plan is considered a covered entity. Each covered entity must report its net premiums written for health insurance during the previous year to the IRS by April 15th of the year in which the fee is due on Form 8963. The IRS provides a national listing of all Insurance Providers who have submitted their required filing to the IRS. The list can be viewed at: https://www.irs.gov/pub/irs-utl/Form8963FinalFeeYear2015.xlsx</p> <p>If an employer offers health coverage by an entity that is not on the IRS listing, this is a Red Flag Indicator. The broker/employer should investigate why the entity is not complying with Federal ACA filing regulations.</p>	Yes. MEHP is the dba of Medi-Excel, SA de CV. Medi-Excel, SA de CV is found on the IRS listing at row number 809. The list can be viewed at: https://www.irs.gov/pub/irs-utl/Form8963FinalFeeYear2015.xlsx