

§ 154.102

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.

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 in §144.103 of this subchapter.

Plan has the meaning given the term in §144.103 of this subchapter.

Product means a package of health insurance coverage benefits with a discrete set of rating and pricing methodologies offered in a State. The term product includes any product that is discontinued and newly filed within a 12-month period when the changes to the product meet the standards of §147.106(e)(2) or (3) of this subchapter (relating to uniform modification of coverage).

Rate increase means, with respect to rates filed—

(1) For coverage effective prior to January 1, 2017, any increase of the rates for a specific product offered in the individual or small group market.

(2) For coverage effective on or after January 1, 2017, any increase of the rates for a specific product or plan within a 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.

45 CFR Subtitle A (10–1–24 Edition)

Small group market has the meaning given the term in §144.103 of this subchapter.

State means each of the 50 States and the District of Columbia.

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.

[76 FR 29985, May 23, 2011, as amended at 76 FR 54976, Sept. 6, 2011; 79 FR 30342, May 27, 2014; 80 FR 10863, Feb. 27, 2015; 81 FR 94175, Dec. 22, 2016]

§ 154.103 Applicability.

(a) *In general.* The requirements of this part apply to health insurance issuers offering health insurance coverage in the individual market and small group market.

(b) *Exceptions.* The requirements of this part do not apply to—

(1) Grandfathered health plan coverage as defined in §147.140 of this subchapter;

(2) Excepted benefits as described in section 2791(c) of the PHS Act; and

(3) For coverage effective on or after July 1, 2018, student health insurance coverage as defined in §147.145 of this subchapter.

[76 FR 29985, May 23, 2011, as amended at 83 FR 17060, Apr. 17, 2018]

Subpart B—Disclosure and Review Provisions

§ 154.200 Rate increases subject to review.

(a) A rate increase filed in a State, or effective in a State that does not require a rate increase to be filed, is subject to review if:

(1) The rate increase is 15 percent or more applicable to a 12-month period