

### **Rating Areas**

In late February, the U.S. Department of Health and Human Services released final rules addressing health insurance market rules and rate review requirements. Among other things, the rules identify certain criteria and stipulations for the establishment by a state of geographic rating areas. If a state does not establish or report rating areas, or if a state's rating areas are determined to be inadequate, the default will be one rating area for each Metropolitan Service Area (MSA) in the state and one rating area for all other non-MSA portions of the state, as defined by the Office of Management and Budget (Default Rating Areas). The deadline for a state to report its rating areas for 2014 to the Centers for Medicare and Medicaid Services is March 29, 2013.

Given the very short time frame Virginia would have to request geographic rating areas that exceed the Default Rating Areas, along with the significant amount of actuarial information that must be provided to support such a request, the Bureau has determined that there is no other practical alternative but for Virginia to apply the standards under the default mechanism identified in the rules. Therefore, for 2014, the rating areas in Virginia will be the Default Rating Areas as set by the U.S. Department of Health and Human Services.

The final rules and related guidance materials may be found at:

<http://cciio.cms.gov/resources/regulations/index.html>

Virginia's rating areas by city and county may be found at:

[www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/va-gra.html](http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/va-gra.html)