

Qualified Health Plan Issuer Application Instructions

2022

Extracted section:
Section 2B: Service Area

[02/2021]

Section 2B: Service Area

1. Introduction

In the Service Area section, you identify the service areas associated with your QHPs, SADPs, or both, by state and county. You must submit the Service Area Template as part of your QHP Application.

You must identify proposed service areas in your application to indicate the geographic coverage of each QHP, SADP, or combination and to demonstrate compliance with the county integrity requirements under 45 Code of Federal Regulations (CFR) 155.1055. The service area of a plan is the geographic area where it accepts members, if it limits membership based on where people live.

The Department of Health and Human Services (HHS) prefers only service areas covering full counties. If you propose a service area covering a partial county, you must provide a partial county supplemental response.

The Service Area section of the QHP Application comprises three parts:

1. A template for identifying your proposed service area and the included counties and ZIP Codes, if you do not intend to cover the entire state.¹
2. A detailed [Partial County Supplemental Response Form](#), if you are proposing a plan covering a partial county.
3. Written evidence from the appropriate Federally-facilitated Exchange (FFE) state regulator indicating that the state has approved your proposed plan to cover a partial county.

2. Data Requirements

To complete the template for this section, you will need the following:

1. HIOS Issuer ID
2. Issuer state
3. Names and IDs for proposed service areas to be associated with your QHPs or SADPs
4. Names of counties that you are applying to cover if you do not include an entire state in a service area
5. ZIP Codes in any county that you are applying to cover if you do not include an entire county in a service area.

3. Quick Reference

Key Changes for 2022

- ◆ You must create separate service area IDs for your Individual market service areas and your Small Business Health Options Program (SHOP) market service areas. If you submit via the National Association of Insurance Commissioners' (NAIC's) System for Electronic Rates and Forms Filing (SERFF) you must use the same Service Area Template across all binders or ensure that no service area IDs repeat across the binders.

Tips for the Service Area Section

- ◆ You may not change a service area after the initial submission deadline unless you submit a data change request to do so and make this change during the timeframe we have specified. This applies even if you submit via SERFF and make the change in response to an error issued by the state. See the Service Area Data Change Request Process in the **Review Periods, Revision Process, and Certification** section for more information.
- ◆ If you are a dual-product issuer, you must create two different service area IDs, one each for QHPs and SADPs, regardless of whether the service area is intended to serve both plan types.

The instructions for this section apply to the following issuer types:

- QHP
- SADP

See Appendix E for additional information.

¹ The columns for these data appear in the Excel template when **Yes** is selected for Column E.

Tips for the Service Area Section

- ◆ If you are a dual-product issuer, you must use the word “dental” in the service area name for your dental service area to distinguish the dental service area from the QHP service area.
- ◆ If you offer plans in the Individual and SHOP markets, you must create separate service area IDs for each market, regardless of whether the service area is intended to serve both markets.

Additional Resources

- ◆ There are [supporting documents](#) for this section.
- ◆ There are [instructional videos](#) for this section.
- ◆ There are [templates](#) for this section.

4. Detailed Section Instructions

Follow these steps to complete the Service Area Template.

Service Area Template	Steps
HIOS Issuer ID	Enter the five-digit HIOS Issuer ID.
Issuer State	Select the state in which you intend to offer coverage using the drop-down menu.
Service Area ID	<p>Click Create Service Area IDs at the top of the Service Area Template and enter the total number of desired service areas for the identified state. The template will generate and add the requested number of service area IDs to the Service Area ID drop-down menu. For example, if you enter “3” for the total number of service areas, the template automatically generates three service area IDs. If the proposed service area covers the entire state, request one service area. The service area ID consists of the state abbreviation plus an “S” and then a sequenced number (for example, AZS001 or AZS002).</p> <p>Note: If you submit via SERFF, click Create Service Area IDs and enter the number of service area IDs you need to ensure no two templates use the same service area ID. For example, if the Individual market needs three service area IDs and the SHOP market needs two service area IDs, enter “5” for the total number of service areas.</p> <p>Each plan can only be associated with one service area ID, but a service area ID can be associated with multiple plans. In the first available blank row after the header (Row 13), use the drop-down menu to select a service area ID.</p>
Service Area Name	<p>Enter a name for the service area selected.</p> <p>Note: It may be helpful to name the service area so that it identifies a plan characteristic, such as health maintenance organization (HMO), or the plan name.</p> <p>If you are a dual-product issuer, you must use the word “dental” in the name for your dental service area to distinguish the dental service area from the QHP service area.</p> <p>The service area name will not display to the public on HealthCare.gov.</p>
State	<p>Choose from the following:</p> <ul style="list-style-type: none"> ◆ Yes—if the service area includes the entire state. No additional information is required for the identified service area. Continue adding service areas until all service areas have been identified. ◆ No—if the service area includes only certain counties in the state. In the next step, county information must be provided for the identified service area. Continue adding service areas and counties as appropriate until all service areas have been identified. <p>Note: The same service area ID <u>cannot</u> be used for both a service area that covers the entire state <u>and</u> a service area that covers only certain counties in the state.</p>
County Name	<p>Use the drop-down menu to select the name of each county included in the identified service area if you indicated that the identified service area does not cover the entire state.</p> <p>If a service area includes multiple counties, you must add a new row for each new county using the same service area ID and service area name.</p>

Service Area Template	Steps
	If your service area counties are not in the drop-down menu, contact the Marketplace Service Desk by phone at 855-267-1515 or by email at CMS_FEPS@cms.hhs.gov .
Partial County	Choose from the following: <ul style="list-style-type: none"> ◆ No—if the service area includes the entire county. No additional information is required for the identified county. ◆ Yes—if the service area covers only part of the county. If Yes is selected, an informational box appears showing the HHS partial county policy. Select OK. A Service Area ZIP Code(s) column and a Partial County Justification Filename column will appear on the template.
Service Area ZIP Code	Enter the five-digit ZIP Codes (12345) you propose to cover in the partial county. If you are entering more than one ZIP Code, separate each ZIP Code with a comma.
Partial County Justification Filename	Save the Partial County Justification Form using the naming convention in Table C-1. For example, "12345_AZ_service_area_partial_county."

See Figure 2B-1 for a sample completed Service Area Template.

Figure 2B-1. Sample Service Area Template

A		B	C	D	E	F	G
2022 Service Area v11.0		All fields with an asterisk (*) are required					
Validate		To validate, press the Validate button or Ctrl + Shift + I. To finalize, press the Finalize button or Ctrl + Shift + F.					
Finalize		Click Create Service Area IDs button (or Ctrl + Shift + R) to Create Service Area IDs based on your state					
		Service Area IDs will populate in the drop-down box in Service Area ID column					
		For each row, enter one County for that Service Area ID (unless the Service Area covers entire state)					
HIOS Issuer ID:*		12345					
Issuer State:*		AZ					
Create Service Area IDs							
Service Area ID*	Service Area Name*	State*	County Name	Partial County	Service Area Zip Code(s)	Partial County Justification Filename	
Required: Enter the Service Area ID	Required: Enter the Service Area Name	Required: Does this Service Area cover the entire state?	Required if State is "No": Select the County - FIPS this Service Area covers	Required if State is "No": Does this Service Area include a partial county?	Required if Partial County is "Yes": Enter the zip codes in this county that are covered by this Service Area	Required if Partial County is "Yes": Enter the filename of the partial county justification file you are uploading to SERFF or HIOS	
AZS004 Service Area Four		Yes	Mohave - 04015	No			
AZS001 Service Area One		No	La Paz - 04012	Yes	85325, 85328	12345_AZ_service_area_partial_county	
AZS001 Service Area One		No	Yuma - 04027	No			
AZS001 Service Area One		No	Maricopa - 04013	No			
AZS002 Service Area Two		No	Cochise - 04003	No			
AZS003 Service Area Three		No	Apache - 04001	Yes	85920, 85924, 85925	12345_AZ_service_area_partial_county	

If you request to serve a partial county (i.e., if you select **Yes** in Column E of the Service Area Template), you must complete the following steps.

Partial County Justification Supplemental Response

HHS allows issuers to cover partial county service areas only in extraordinary circumstances. You must submit a detailed supplemental response substantiating why you will not serve the entire county for each exception you request. You must justify how the partial county service area is necessary, non-discriminatory, and in the best interests of consumers and the Exchange program, consistent with 45 CFR 155.1055.

Answer the questions on the [Partial County Supplemental Response Form](#). If you do not respond to each of these questions, your partial county request will be denied.

You may request partial county service areas only if you have received state authorization. If you request a partial county service area in an FFE state and submit the QHP Application via HIOS, provide written evidence that the appropriate state regulator has authorized your partial county service area, such as email correspondence with the state that lists the specific ZIP Codes in the partial county requested.

If your state performs plan management functions, you must submit a partial county supplemental response but are not required to submit evidence of state approval. If the state transmits the request, that will serve as state approval.

After completing the supplemental response form, do the following:

- ◆ Combine written evidence that the appropriate FFE state regulator has authorized the partial county service area and the partial county justification supplemental response into one PDF file.
- ◆ Name the PDF file using the naming convention in Table C-1. For example, "12345_AZ_service_area_partial_county." Enter this file name in Column G, "Partial County Justification Filename," of the Service Area Template.
- ◆ Upload the combined document in the Plans & Benefits section of the Benefits and Service Area Module in HIOS using the document upload functionality. Select **Service Area Justification** from the Document Type drop-down menu.

After entering all data, click **Save** to ensure no data are lost. Once the Service Area Template is completed, you must validate, finalize, and upload it into HIOS.

Template Validation	Steps
Validate Template	Click Validate in the top left of the template. The validation process identifies any data issues that need to be resolved. If no errors are identified, finalize the template.
Validation Report	If the template has any errors, a Validation Report will appear in a pop-up box showing the reason for and cell location of each error. Correct any identified errors and click Validate again. Repeat until all errors are resolved.
Finalize Template	Click Finalize in the template to create the .XML version of the template you will upload in the Service Area section of the Benefits and Service Area Module in HIOS.
Save Template	Save the .XML template. We recommend you save the validated template as a standard Excel .XLSM file in the same folder as the finalized .XML file for easier reference.
Upload Template	Upload the saved .XML file in the Service Area section of the Benefits and Service Area Module in HIOS. Refer to 2. Benefits and Service Area Module for details on how to complete this step.

When establishing service areas, consider existing health care delivery markets in the states in which you are applying to offer plans. If the distance people in a rural county travel to see a provider is consistent with state-permitted practices, it may not be necessary to have a contracted provider in all parts of a rural county. In such cases, you might consider establishing a service area for the entire state to enable members in rural parts of the county to see providers in other ZIP Codes. Alternatively, you might exclude an entire county from a service area if no providers are available in the excluded ZIP Codes.

A service area can be associated with multiple plans. For example, you might have five plans and four service areas as follows: The first plan has a service area (SA001) that covers the entire state. The second and third plans have a service area (SA002) that covers counties A and B. The fourth plan has a service area (SA003) that covers counties C and D. The fifth plan has a service area (SA004) that covers counties A, B, C, and D.

A QHP or SADP must always be associated with a single service area ID and with a single network ID, but networks and service areas may be used for multiple QHPs or SADPs. Create one template for all service areas and identify each service area with a unique service area ID. Complete the Network ID Template and create a unique network ID for each network. The Plans & Benefits Template maps each plan to a specific service area ID and network ID as entered in the Service Area and Network ID Templates. Service area IDs and network IDs may both be used for multiple plans and do not have to correspond one-to-one. For example, you may have a single state-wide network that is identified with a network ID and assigned to all of your plans, but have two service area IDs that are each made up of half the state and each assigned to a different plan.

The Exchange does not require your service area to cover a complete rating area, but you are bound by state service area requirements. Carefully review state guidance on this topic to ensure your proposed service areas comply with state requirements. Multiple rating areas are allowed within a service area as specified by the state. Separate service area IDs are not required, even if a service area is made up of multiple rating areas.

If your state performs plan management functions and you file via SERFF, we strongly encourage you to submit a Microsoft Excel version of your Service Area Template.

The next section of the Instructions for the PY2022 QHP Application is Prescription Drug.