

Qualified Health Plan Issuer Application Instructions

2021

**Extracted section:
1C: Good Standing (Optional)**

[05/2020]

Version 1.1

Section 1C: Good Standing (Optional)

1. Introduction

In the Good Standing section, issuers demonstrate compliance with all applicable state solvency and regulatory requirements. An issuer must be licensed in the state for which it is applying to satisfy the good standing standard. These instructions apply to QHP and SADP issuers.

2. Data Requirements

If an issuer does not comply with the good standing standard, they must provide the following information:

1. If applicable, a description of how the issuer will comply with state solvency requirements
2. If applicable, a description of how the issuer will respond to corrective actions.

3. Quick Reference

Key Changes for 2021

- ◆ No changes for the 2021 QHP Application.

Tips for the Good Standing Section

- ◆ **The Good Standing section remains optional for the 2021 QHP Application.**
- ◆ **If the issuer does not comply with the state solvency requirements or the issuer is under corrective action related to financial review, it completes supporting documentation and provides a justification.**
- ◆ **Save documents using the following naming convention: [HIOS Issuer ID]_[Title of Document], for example, “12345_GoodStanding.doc.”**

4. Detailed Section Instructions

Good Standing Questions	Steps
Is the applicant seeking QHP certification for this state currently out of compliance with any applicable state solvency requirements for the calendar year in which it is applying to offer QHPs?	Choose from the following options: <ul style="list-style-type: none">◆ Yes—if the applicant does <i>not</i> comply with state solvency requirements. If Yes is selected, supporting documentation and a justification are submitted. Upload the supporting documentation in the Good Standing Module and select “Solvency Compliance” as the document type.◆ No—if the applicant <i>complies</i> with state solvency requirements. If No is selected, proceed to the next step.
Is the applicant currently under any corrective action related to financial review?	Choose from the following options: <ul style="list-style-type: none">◆ Yes—if the applicant <i>is</i> under corrective action related to financial review. If Yes is selected, supporting documentation and a justification are submitted. Upload the supporting documentation in the Good Standing Module and select Corrective Action as the document type.◆ No—if the applicant <i>is not</i> under corrective action related to financial review. If No is selected, proceed to the next section of the application.

Issuers that do not comply with the good standing standard are required to submit supporting documentation and a justification.

Good Standing Supporting Documentation

If the response to question 1 is **Yes** (the issuer does *not* comply with state solvency standards), the issuer uploads a description of how it intends to comply and provides a justification for noncompliance.

- ◆ The description should include the following:
 - List of solvency requirements with which the issuer currently does not comply
 - Detailed explanation of the plan to comply
 - Timeframe for complying.

The justification should explain the conditions that caused the issuer to become financially insolvent (such as insufficient premium income or catastrophic medical expenses).

If the response to question 2 is **Yes** (the issuer *is* under corrective action), the issuer uploads a description of how it intends to respond to corrective actions and provides a justification.

- ◆ The description should include the following:
 - List of corrective actions issued
 - Detailed explanation of the plan to respond to corrective actions
 - Timeframe for implementing the corrective actions plan.

The justification should explain how a corrective action plan or equivalent document will address the issues identified by the state.