

# Qualified Health Plan Issuer Application Instructions

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2021

**Extracted section:  
Section 2B: Service Area**

[05/2020]

Version 1.1

## Section 2B: Service Area

### 1. Introduction

In the Service Area section, issuers identify the service areas associated with their QHPs, SADPs, or both, by state and county. These instructions apply to QHP and SADP issuers, and both types of issuers are required to submit the Service Area Template as part of their QHP Application.

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

In almost all situations, the Department of Health and Human Services (HHS) will approve only service areas covering full counties. In the rare case in which the issuer proposes a service area covering a partial county, additional justification is required.

### 2. Data Requirements

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

1. A template for identifying the issuer's service area, and any included counties and ZIP codes as applicable, if the entire state is not covered.<sup>1</sup>
2. A detailed partial county supplemental response, if applicable. (The recommended form is available at <https://www.qhpcertification.cms.gov/s/Service%20Area.>)
3. If applicable, written evidence from the appropriate Federally-facilitated Exchange (FFE) state regulator indicating that the partial county is approved by the state.

To complete the template for this section, an issuer needs the following information:

1. HIOS Issuer ID
2. Issuer state
3. Names and IDs for proposed service areas to be associated with the issuer's QHPs or SADPs
4. Names of counties that the issuer is applying to cover, if electing not to include an entire state in a service area
5. ZIP codes in any county that the issuer is applying to cover when electing not to include an entire county in a service area.

### 3. Quick Reference

#### Key Changes for 2021

- ◆ No changes for the 2021 QHP Application.

#### Tips for the Service Area Section

- ◆ **An issuer may not change its service area after the initial submission deadline unless it submits a data change request to do so and makes this change only during the timeframe specified by CMS. This includes issuers submitting through National Association of Insurance Commissioners' (NAIC's) System for Electronic Rate and Form Filing (SERFF), even if the issuer is responding 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.**
- ◆ **Dual-product issuers (issuers offering QHPs and SADPs) must create two different service area IDs for use with the two plan types, regardless of whether the service area is intended to serve both QHPs and dental plans.**

<sup>1</sup> The columns these data are entered in appear in the Excel template when **Yes** is selected for Column E.

### Tips for the Service Area Section

- ◆ Dual-product issuers must use the word “dental” in the service area name for their dental service area to distinguish the QHP service area from the dental service area.
- ◆ Excel template file names must be all lowercase and cannot contain spaces. For example, “servicearea\_data” is a valid template file name, but “ServiceArea\_data” and “service area data” are not valid template file names.
- ◆ Name the partial county justification, if applicable, using the following naming convention: [HIOS Issuer ID]\_[State]\_service\_area\_partial\_county, for example, “12345\_AZ\_service\_area\_partial\_county.”
- ◆ When deciding how to establish service areas, consider existing health care delivery markets in the states in which the issuer is applying to offer plans. If people in a rural county generally travel a long distance to see a health care provider or dentist and the distance is consistent with practices permitted by the state, it may not be necessary to have a contracted provider in all parts of the rural county. In these cases, issuers may want to consider establishing a service area for the entire state, giving members in the more rural part of the county the option to see providers in other ZIP codes. Alternatively, an issuer may elect to exclude an entire county from its service area if no providers are available in the excluded ZIP codes.
- ◆ A service area can be associated with multiple plans. For example, an issuer has five plans and four service areas. 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. The issuer creates one template for all service areas and identifies each service area with a unique service area ID. The issuer also completes the Network ID Template and creates a unique network ID for each network. When the issuer completes the Plans & Benefits Template, it 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, an issuer may have a single state-wide network, identified with a network ID, assigned to all of its plans but have two service area IDs, each made up of half the state and each assigned to a different plan).
- ◆ The Exchange does not require an issuer’s service area to cover a complete rating area. However, issuers are also bound by state service area requirements, so carefully review the state guidance on this topic to ensure the 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.
- ◆ Issuers in states that perform plan management functions and file through SERFF are strongly encouraged to submit a Microsoft Excel version of their Service Area Template.

## 4. Detailed Section Instructions

The following steps are taken 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 the issuer is intending to offer coverage using the drop-down menu.
Service Area ID	<p>Click the <b>Create Service Area IDs</b> button at the top of the Service Area Template. Service area IDs are generated by the template.</p> <p>Enter the total number of desired service areas for the identified state. Each plan must be associated with a single service area ID, but a service area ID can be associated with multiple plans. The template automatically adds service area IDs to the Service Area ID drop-down menu. For example, if the issuer enters “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, enter “1” for the number of service areas. The service area ID consists of the state abbreviation plus an “S” and then a sequenced number (for example, AZS001 or AZS002).</p> <p>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 Template	Steps
Service Area Name	<p>Enter a name for the service area selected.</p> <p><i>Note:</i> It may be helpful to name the service area so that it identifies a plan characteristic, such as health maintenance organization (HMO), or the actual plan name.</p> <p>Dual-product issuers must use the word “dental” in the service area name for their dental service area to distinguish the QHP service area from the dental service area.</p> <p>The service area name will not display to the public on <a href="http://HealthCare.gov">HealthCare.gov</a>.</p>
State	<p>Choose from the following options:</p> <ul style="list-style-type: none"> <li>◆ <b>Yes</b>—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.</li> <li>◆ <b>No</b>—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.</li> </ul> <p><i>Note:</i> The same service area ID <i>cannot</i> be used for both a service area that covers the entire state <i>and</i> 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 the issuer indicated above that the identified service area does not cover the entire state.</p> <p>If a service area includes multiple counties, the issuer must add a new row for each new county using the same service area ID and service area name.</p> <p>If the issuer’s service area counties do not appear in the drop-down menu, please contact the Marketplace Service Desk at 855-CMS-1515 or via email at <a href="mailto:CMS_FEPS@cms.hss.gov">CMS_FEPS@cms.hss.gov</a>.</p>
Partial County	<p>Choose from the following options:</p> <ul style="list-style-type: none"> <li>◆ <b>No</b>—if the service area includes the entire county. No additional information is required for the identified county.</li> <li>◆ <b>Yes</b>—if the service area covers only part of the county. If <b>Yes</b> is selected, an informational box appears showing the HHS partial county policy. Select <b>OK</b>. A Service Area ZIP Code(s) column and a Partial County Justification Filename column will appear on the template.</li> </ul>
Service Area ZIP Code	<p>Enter the five-digit ZIP codes (12345) included in the partial county if the issuer identified that the county is only partially covered. If entering more than one ZIP code, use a comma to separate each ZIP code.</p>
Partial County Justification Filename	<p>Enter the file name for the partial county justification supplemental response. Use the following naming convention: [HIOS Issuer ID]_[State]_service_area_partial_county, for example, “12345_AZ_service_area_partial_county.”</p>

A sample completed Service Area Template looks like **Figure 2B-1**.

**Figure 2B-1. Sample Service Area Template**

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				
AZS001	Service Area One	No	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

The following steps are taken if the issuer is requesting to serve a partial county (i.e., the issuer selected **Yes** to one or more counties in Column E of the Service Area Template).

Partial County Justification Supplemental Response	
<p>HHS allows issuers to cover partial county service areas only in extraordinary circumstances. For each requested exception, the issuer must submit a detailed supplemental response substantiating why the entire county will not be served. The issuer must justify that the partial county service area is necessary, non-discriminatory, and in the best interests of potential enrollees and the Exchange program, consistent with 45 CFR 155.1055.</p>	
<p>The specific questions to be answered are on the recommended form found at <a href="https://www.ghpcertification.cms.gov/s/Service%20Area">https://www.ghpcertification.cms.gov/s/Service%20Area</a>. Failure to respond to each of these questions will result in the denial of the partial county request.</p>	
<p>Issuers may request partial county service areas from the Centers for Medicare &amp; Medicaid Services (CMS) only with state authorization. Issuers in FFE states that complete the QHP Application in HIOS should provide written evidence that their appropriate state regulator has authorized their partial county service area, such as an email correspondence with the state that lists the specific ZIP codes in the partial county requested.</p> <p>Issuers in states performing plan management functions that request to serve partial counties must submit a partial county supplemental response but are not required to submit evidence of state approval. Successful transmission of the data will serve as state approval of the partial county request.</p>	
<p>After completing the supplemental response form, do the following:</p> <ul style="list-style-type: none"> <li>◆ 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.</li> <li>◆ Name the PDF file using the following convention: [HIOS Issuer ID]_[State]_service_area_partial_county, for example, "12345_AZ_service_area_partial_county." Enter this file name in Column G, "Partial County Justification Filename," of the Service Area Template.</li> <li>◆ Upload the combined document in the Plans &amp; Benefits section of the Benefits and Service Area Module in HIOS using the document upload functionality. Select the document type <b>Service Area Justification</b> from the Document Type drop-down menu.</li> </ul>	

Once the Service Area Template is completed, issuers must validate, finalize, and upload it into HIOS.

Template Validation	Steps
Validate Template	Click the <b>Validate</b> button 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 data element and cell location of each error. Correct any identified errors and click <b>Validate</b> again. Continue this process until all errors are resolved.
Finalize Template	Click the <b>Finalize</b> button in the template. The Finalize function creates the .XML version of the template that issuers need to upload in the Service Area section of the Benefits and Service Area Module in HIOS.
Save Template	<b>Save</b> the XML Template. CMS recommends saving the validated template as a standard Excel .XLSM file in the same folder as the finalized .XML file.
Upload Template	Upload the saved file in the Service Area section of the Benefits and Service Area Module in HIOS. Refer to the Benefits and Service Area Module User Guide for details on how to complete this step.