

Comment #12 – 5/1/15 – 4:22 p.m.

Please find my comments on the Exposure Draft on Determining Minimum Value and Actuarial Value.

While I feel that the ASOP overall meets many of the areas highlighted in the questions there are three questions that merited additional comment.

Does the Does this ASOP provide appropriate guidance to actuaries who are determining actuarial values for purposes of meeting the various ACA AV and MV requirements?

Section 2.1 42 U.S.C. § 18022(d)(2) requires that AV be computed for a standard population and not the population of a specific plan. The use of “specific population” in this section may imply that the AV may change based on the population of a plan which is not the intent of the statute.

Section 2.5 The definition of health insurance plan in this section may be too broad. As defined there may plans that are considered excepted benefits plans under Federal regulations that are covered by this ASOP even though they are not subject to AV or MV calculations.

Do the descriptors AVC-AV and MVC-AV in sections 2.2 and 2.7 add clarity to the ASOP?

Section 2.2 While the current calculator is created as an Excel spreadsheet this may change in the future and instead the Actuarial Value Calculator should be defined as the data and methodology released by HHS to determine the AV of a plan as required by regulation. This definition would also allow actuary to use alternate implementations of that data and methodology that are created in addition to the Excel workbook.

Section 2.7 Similar to the definition of AV, this definition should be limited to data and methodology released by HHS rather than the specific Excel implementation.

Is the detail proposed for a certification in section 4 appropriate? Should additional items be added?

While the description of certification for an individual actuary for use of or deviation from the HHS calculator is appropriate, the ASOP should also require an actuarial certification of the both the actuarial value and minimum value calculators. As both calculators form the basis of this ASOP it seems appropriate that the calculators themselves be subject to certification as well. Requiring a certification for the calculators also puts them in a similar classification as other third party tools. For example, on the basis of ASOP 41, an actuary who relied on a model developed by another actuary for the computation of a non-standard

plan would be required to disclose that reliance and regulators may seek a certification from the actuary who developed the initial model.

As the calculator is not only an actuarial work product but also a complex software tool, the certification of the calculators should include not only appropriate disclosures as required by ASOP 23 on Data Quality but also specific disclosures on the testing of any specific implementations such as the Excel spreadsheet provided by HHS currently.

Thank you for your time in developing this draft ASOP,
John Barela