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March 11, 2021

Jeffrey D. Grant  
Acting Director  
Center for Consumer Information and Insurance Oversight (CCIIO)  
200 Independence Avenue SW  
Washington, DC 20201

Dear Mr. Grant:

In response to your February 8, 2021, letter seeking input from the National Association of Insurance Commissioners (NAIC) on the definition of "geographic regions" for regulations implementing the No Surprises Act, we provide the following recommendations:

- 1) The geographic regions for a state are defined as the corresponding Individual and Small Group Market Geographic Rating Areas (geographic rating areas) provided for by the Market Rules and Rate Review Final Rule (45 CFR Part 147).

Our reasoning for recommending the use of the corresponding geographic rating areas is as follows:

- x While the geographic rating areas are not used in the large group ~~and self~~ market for pricing, they are widely known and ~~well~~ defined. There is significant overlap between the carriers that offer coverage in the small group and in the large group ~~and self~~ markets, so most carriers are familiar with them even if they do not use them for all product pricing.

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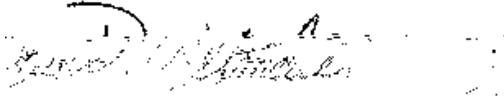
The geographic rating areas for each state are the Metropolitan Statistical Areas (MSAs) that is not included in an MSA. States that have provided actuarial data must have demonstrated how they will reflect geographic rating areas, lead to stability in rates over time, and are not unfairly discriminatory. The number of geographic rating areas in a state +1, although a state could request more

rating areas with actuarial justification. This generally works out to one geographing area for each major metropolitan area in the state, plus one for the combined rural areas in the state. Most states opted to use counties rather than MSAs, but most still grouped the counties around the metropolitan areas and then combined the rural areas into one area.

2) However, if a state has defined geographic regions within any surprise billing laws or regulations, the state may use these defined regions for the purpose of defining “geographic regions” as it relates to the No Surprises Act.

3) Also, a state may request approval from t

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