



DIFP

Department of Insurance,
Financial Institutions &
Professional Registration

Missouri Health Insurance Advisory Committee

Inaugural Meeting -- September 9, 2010



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AGENDA

1. **Introductions** *Director Huff*
2. **Welcome Remarks/Roles & Responsibilities** *Director Huff*
3. **Comments from Co-Chairs** *Tom Bowser & Andrea Routh*
4. **Introduction of Department Leaders & Updates** *Director Huff*
 - a. **Market Regulation & NAIC** *Mary Kempker*
 - b. **September 23rd Reforms** *Molly White & Jamie Morris*
 - c. **Consumer Affairs** *Angela Nelson*
 - d. **Health Insurance Exchanges** *Director Huff & Matt Barton*
 - e. **Legislative Process Update** *Melissa Palmer*
5. **Feedback / Discussion Issues** *Advisory Group*
 - a. **State v. Federal Regulation**
 - b. **Regional Exchanges**
 - c. **Governance of Exchanges**
 - d. **Recruitment of Additional Members**
6. **Scheduling of Next Meeting / Closing** *Co-Chairs & Director*



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Health Insurance Advisory Committee (as of 9.9.10)

Co-Chair - **Tom Bowser** – Blue Cross Blue Shield KC

Co-Chair - **Andrea Routh** – Missouri Health Advocacy Alliance

Coni Fries – Blue Cross Blue Shield KC

Norma Collins – AARP

Larry Case – Missouri Association of Insurance Agents

Tom Holloway – Missouri Medical Association

Catherine Edwards – MO Assoc. of Area Agencies on Aging

Bill Shoehigh – United Healthcare

Daniel Landon – Missouri Hospital Association

Keith Barnes – Aetna

Pat Donehue – Silver Haired Legislature

Cheryl Dillard – Coventry Health Care

Brent Butler – Missouri Insurance Coalition (per John)

David Smith – Anthem Blue Cross Blue Shield

Jeff Bond – Cox Health Plans

Rick Bowles – Missouri Consolidated Health Care Plan

Mark Johnston – National Association of Mutual Insurance Companies



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Health Insurance Advisory Committee

Expectations, Roles and Responsibilities

Comments from Co-Chairs

- **Mr. Tom Bowser, CEO**
Blue Cross Blue Shield of Kansas City
- **Ms. Andrea Routh, Executive Director**
Missouri Health Advocacy Alliance

Introduction of Department Leaders & Team

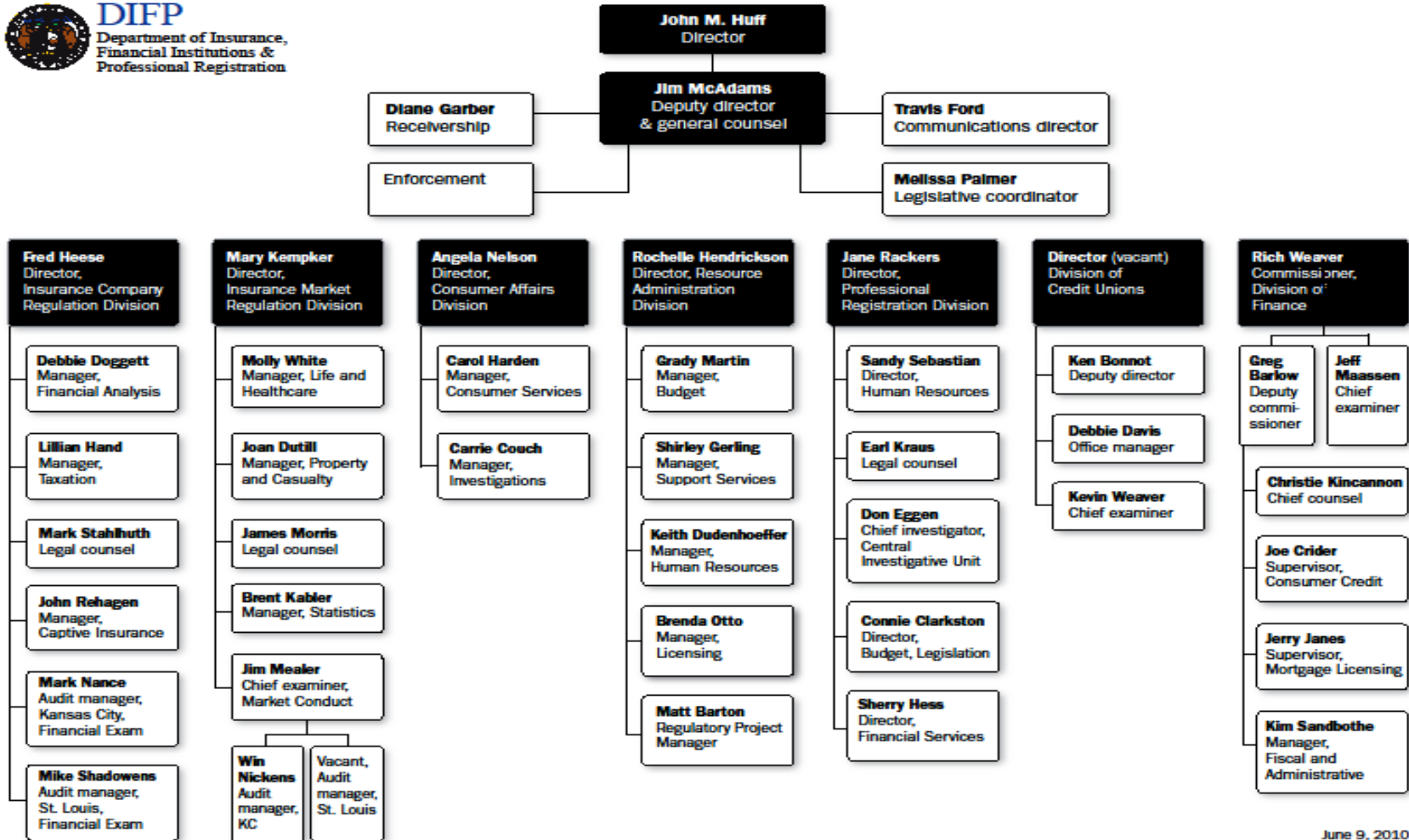


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MHIP operates two “high-risk” pools for Missourians

FEDERAL POOL



Established by the federal health care reform law of 2010, this pool is subsidized by federal funding, making rates competitive with those on

the commercial market.

- Must be uninsured for six months to qualify.
- No limitation or restrictions for pre-existing conditions.
- One medical and one drug plan from which to choose.
- Deductibles: \$1,000 medical, \$100 drug.
- Maximum annual out-of-pocket expenses: \$5,950.

STATE POOL



Established by the Missouri legislature, the state pool has operated since 1991. Rates are generally 30 percent higher than those available on the commercial market.

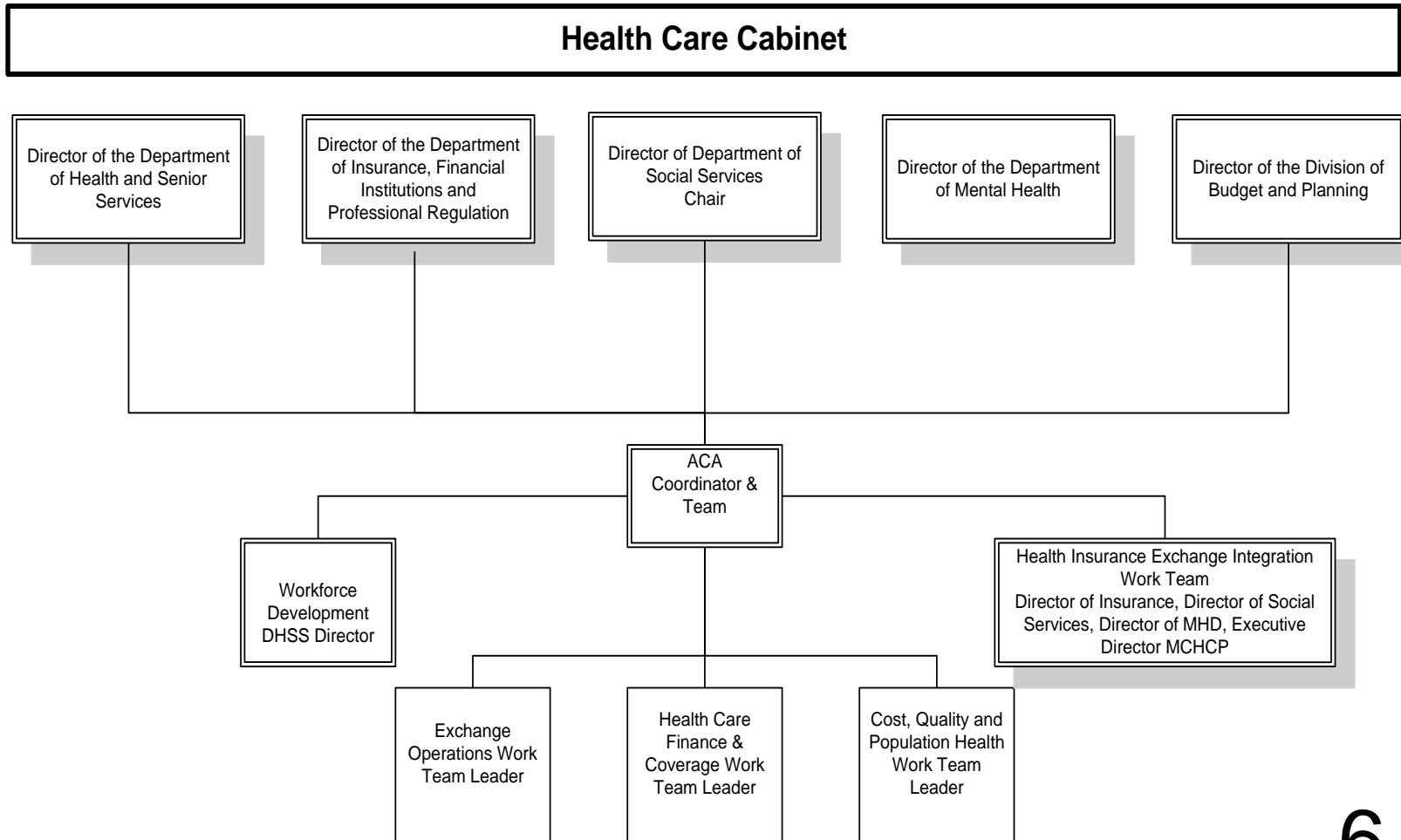
- In some cases, restrictions on pre-existing condition coverage in first year.
- Five medical plans, including a health savings account, and four drug plans from which to choose.
- Deductibles: \$500 to \$5,000 medical, \$100 to \$500 drug.
- Maximum annual out-of-pocket expenses: \$2,500 to \$5,000

Both the federal and state high-risk pools will be available until 2014, when the new federal law requires health insurance companies to offer coverage to all applicants, regardless of health status, at standard market rates.



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Market Regulation / NAIC

- September 23 Reforms
- Health Insurance Rate Review
- Initiatives through the NAIC



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September 23 Reforms

- Annual and Lifetime Limits
 - Restrictions on Annual Limits
 - Elimination of Lifetime Limits
- Rescissions
- Coverage of Preventive Health Services
- Extension of Adult Dependant Coverage
- Preexisting Condition Exclusions
- Appeals Process
- Patient Protections
 - Emergency
 - PCP
 - OB/GYN



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Grants to States for Health Insurance Premium Review

Beginning with the 2010 plan year, insurers are required to report certain health insurance rate information to the Secretary of HHS and the states in which they operate, including:

- All increases in rates for health insurance over the prior year that meet the established unreasonable threshold
- Justifications for unreasonable increases in rates prior to their implementation

Section 1003 of the Affordable Care Act provides a program of grants to states to help them improve the health insurance rate review and reporting process



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Grants to States for Health Insurance Premium Review (cont'd)

The DIFP proposes to enhance its health insurance rate review via a four-step process:

- Enhancing rate review authority by seeking input from all interested parties on enhancing transparency and consumer protection in the rate review process
- Increasing staffing for rate review
- Enhancing IT processes related to rate review
- Strengthening consumer protection standards through an increase in transparency of the rate review process

DIFP will also take solvency into account in order to provide a complete analysis of rates filed for use in Missouri



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NAIC

Executive Committee

- Health Care Reform Interstate Compact Standards Subgroup
- Health Care Reform Cost Containment Subgroup
- Market Accreditation Task Force
- Speed to Market Task Force (Rate Review)



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NAIC

Health Insurance and Managed Care (B) Committee:

- Data Collection by Secretary and State (Joint B & D Committee)
- Exchanges Subgroup
- Consumer Information Subgroup
- Uniform Explanation of Coverage, Standardized Definitions, and Uniform Enrollment
- Regulatory Framework Task Force
 - Rescissions, Individual and Group Market Reform
- ERISA Subgroup
 - Uniform Fraud Reporting and MEWA Fraud Provisions
- Senior Issues Task Force
 - Medigap Changes for Packages C and F



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NAIC

Financial Condition (E) Committee and Life and Health Actuarial Task Force

- Health Reform Solvency Impact
 - Rate Review and Medical Loss Ratio
- Reinsurance Task Force

Market Regulation and Consumer Affairs (D) Committee:

- Antifraud Task Force
 - Uniform Fraud Reporting Forms, Uniform Fraud Reporting Instructions and Uniform Reporting Form Case Update



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Consumer Affairs Division

Division Structure and Personnel

- Consumer Services
- Investigations

Division Initiatives

- Implementation of SBS
 - Electronic complaint case management
- Implementation of On-line Complaint Verification
- Implementation of ACA

Complaint Trends

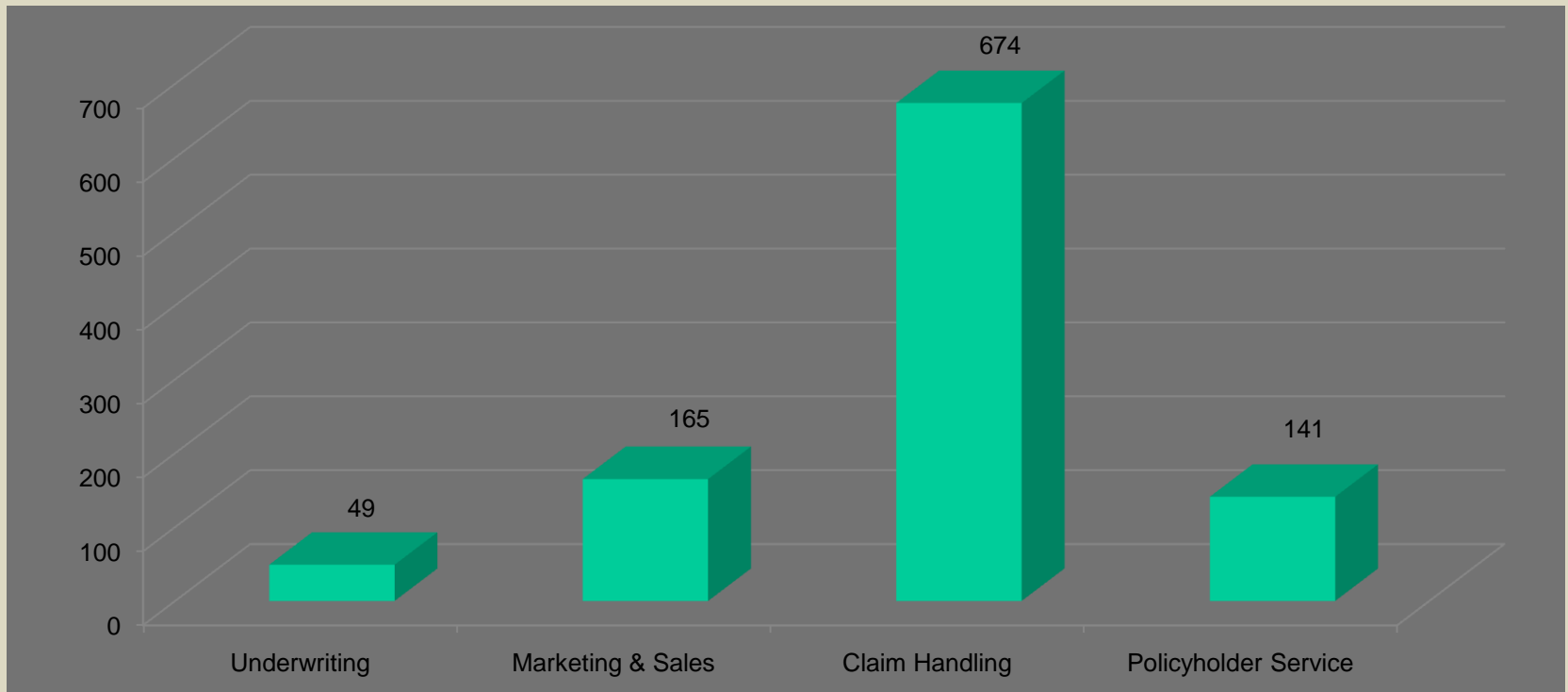


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Health Complaints by Reason



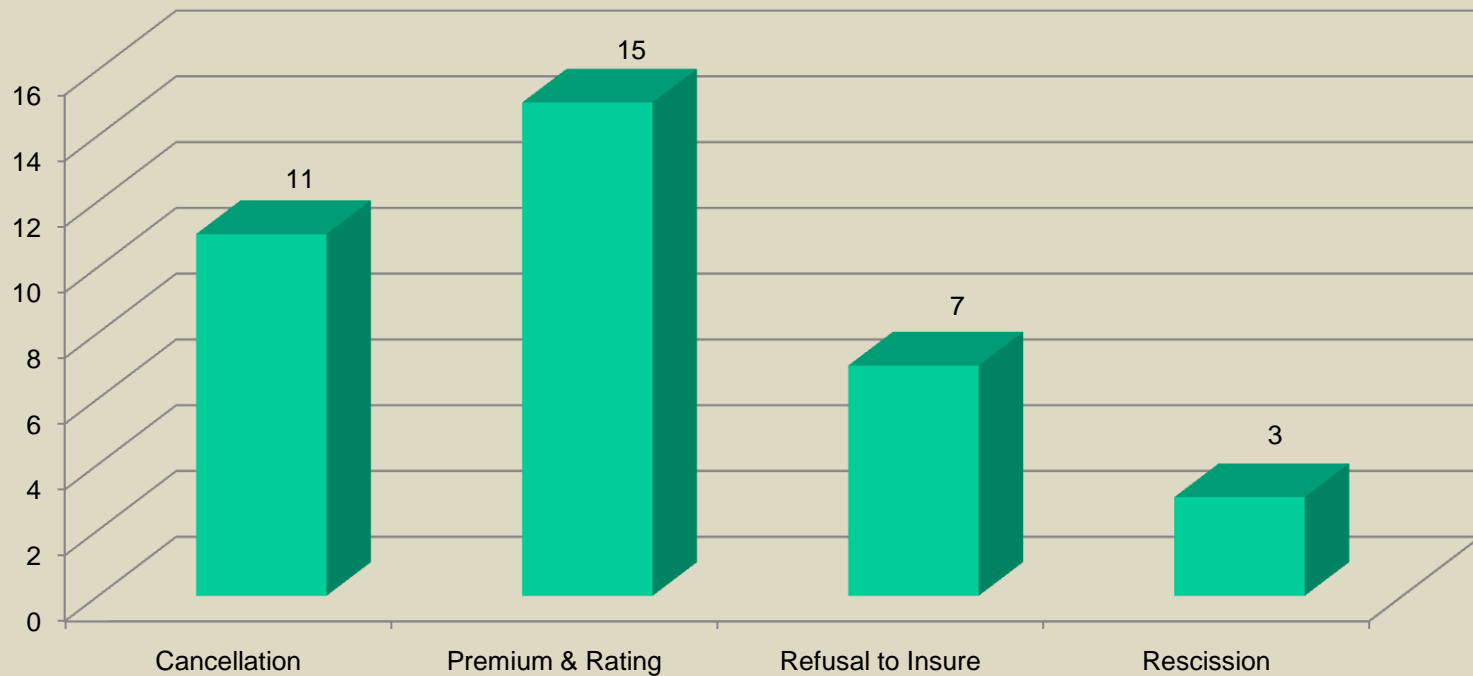


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Underwriting Complaints



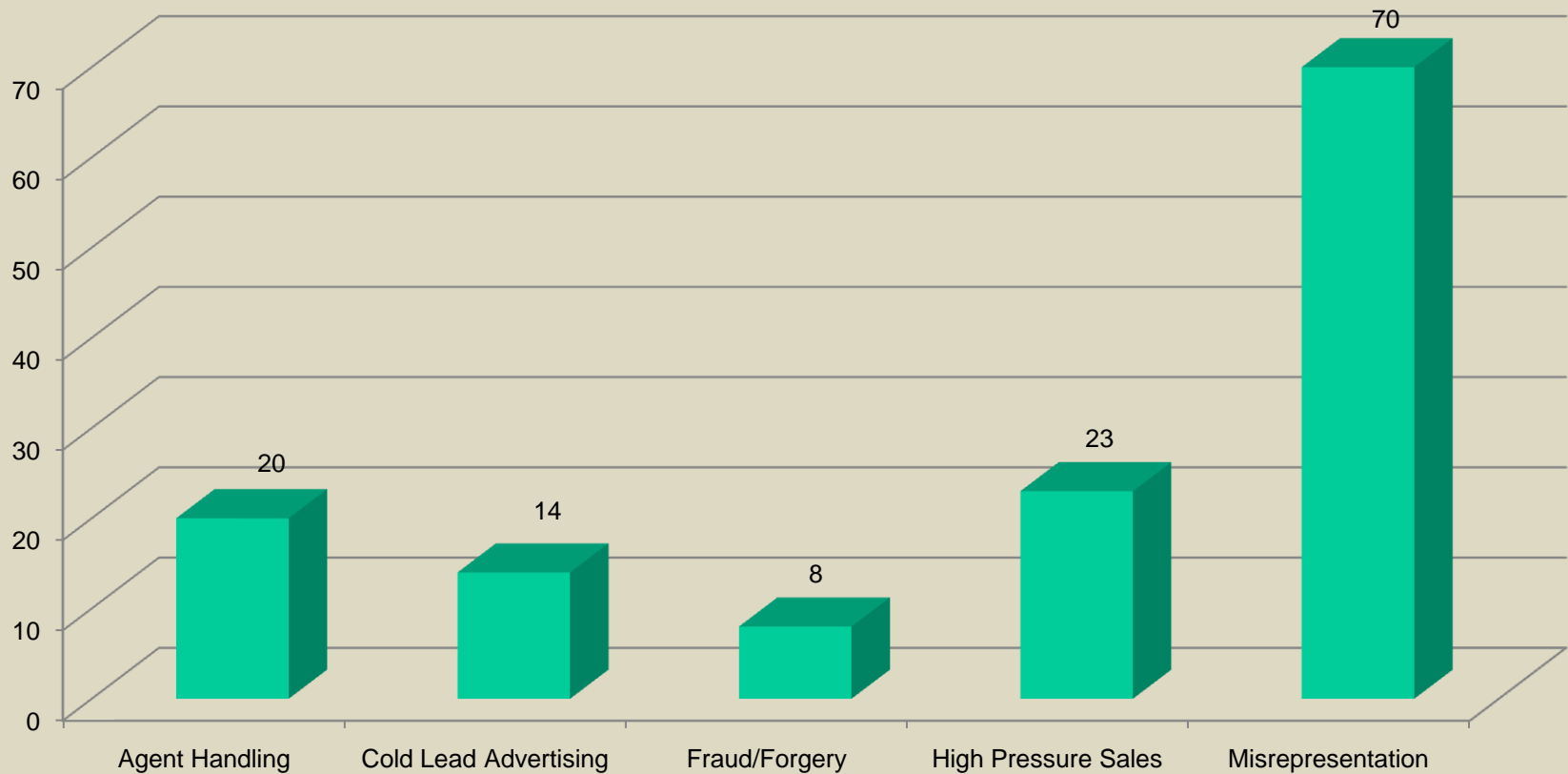


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Marketing & Sales Complaints



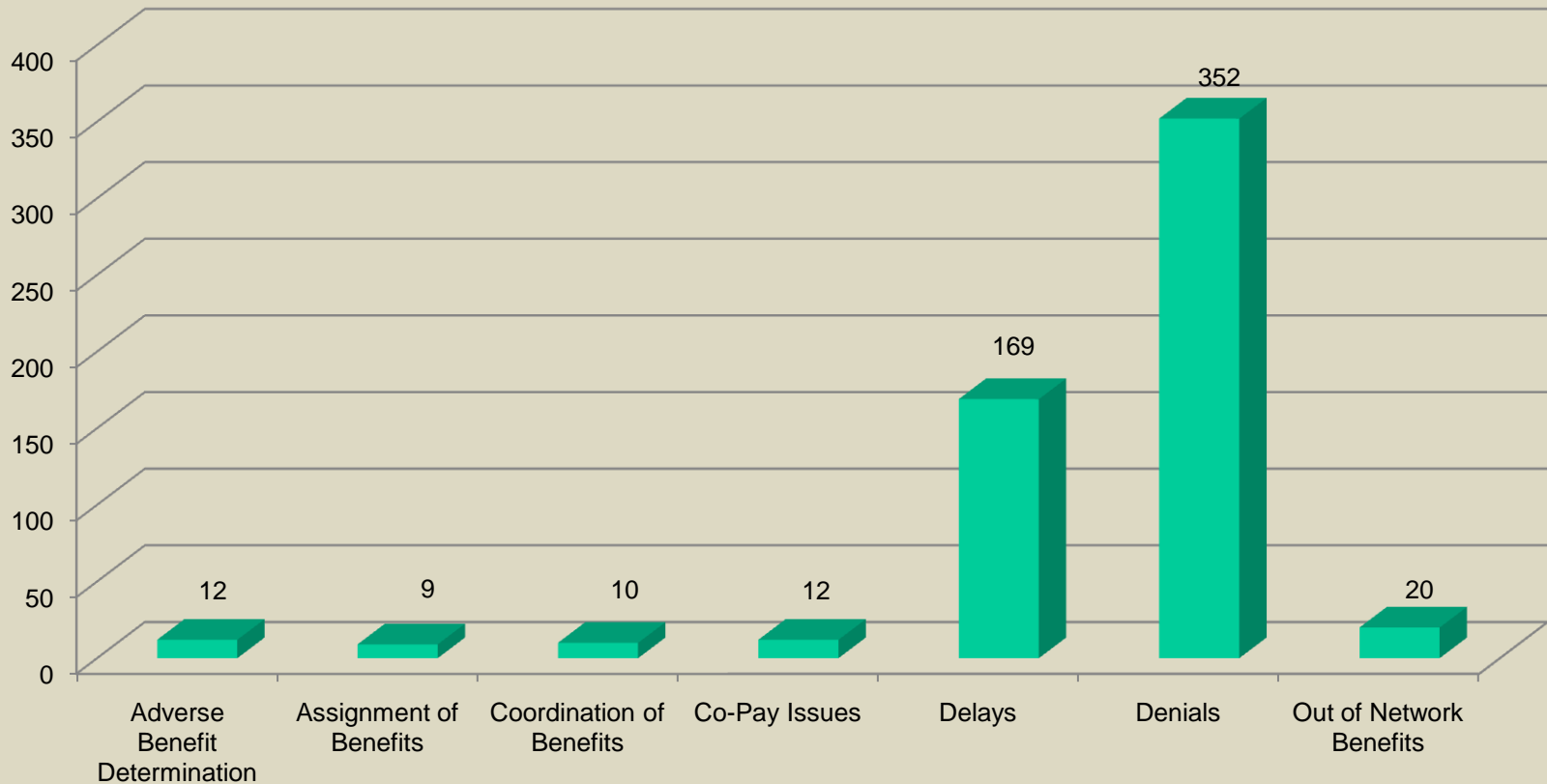


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Claim Handling Complaints



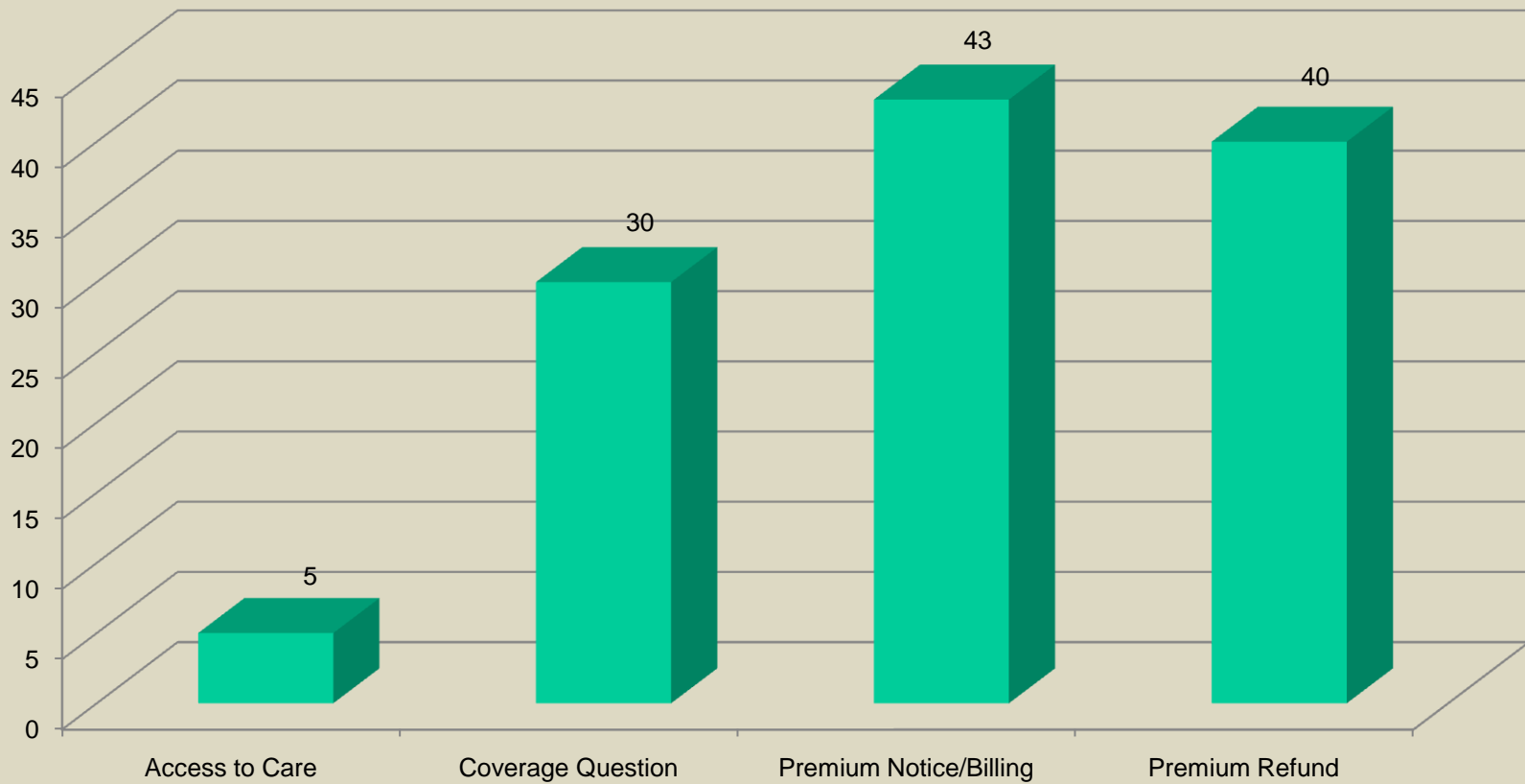


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Policyholder Service Complaints





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Melissa L. Palmer

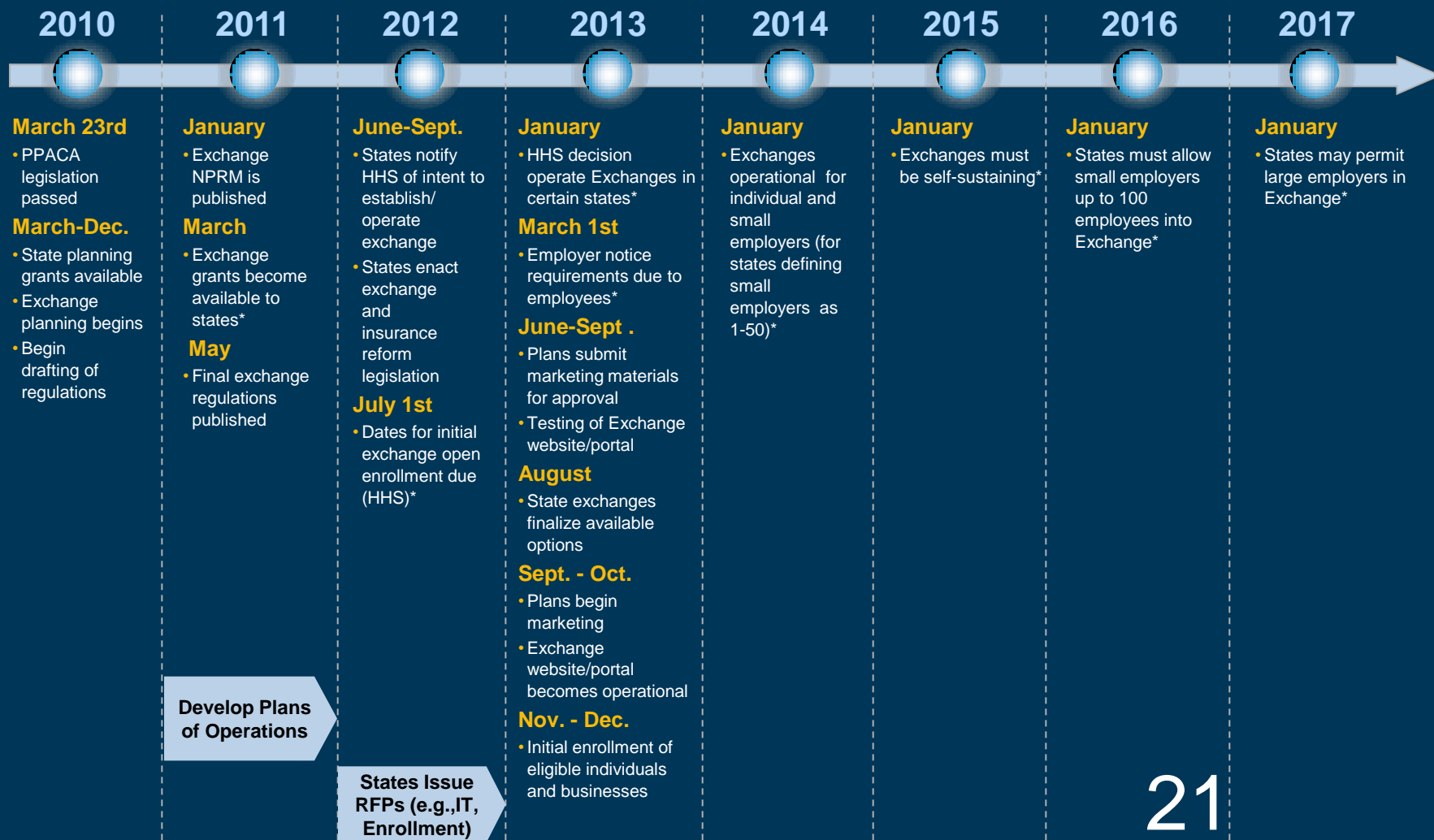
Legislative Liaison – DIFP

573-526-3587

Legislative Liaison to:

- Governor's office
- General Assembly and staffs
- Consumers/Constituents
- Stakeholders/Interest Groups

Potential Timeline for Health Insurance Exchanges



* Note: Activities that have defined dates in the legislation are denoted with an *. All other dates are BCBSA estimates based on review of other research, Medicare Advantage contracting timelines and the time needed to complete various activities under PPACA.



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Discussion on Issues

- State vs. Federal Regulation
- Regional Exchanges
- Governance of Exchanges
- Recruitment of Additional Members



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Scheduling of Next Meeting

Closing Comments from Co-Chairs