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

Diane Garber  
Deputy director & general counsel

Enforcement

Jim McAdams  
Communications director

Melissa Palmer  
Legislative coordinator

Fred Hoese  
Director, Insurance Company Regulation Division
- Debbie Doggett, Manager, Financial Analysis
- Lillian Hand, Manager, Taxation
- Mark Stahlhut, Legal counsel
- John Rohagen, Manager, Captive Insurance
- Mark Nance, Audit manager, Kansas City, Financial Exam
- Mike Shadowens, Audit manager, St. Louis, Financial Exam

Mary Kempler  
Director, Insurance Market Regulation Division
- Molly White, Manager, Life and Healthcare
- Joan Dutill, Manager, Property and Casualty
- James Morris, Legal counsel
- Brent Kabler, Manager, Statistics
- Jim Mealer, Chief examiner, Market Conduct
- Win Nickens, Audit manager, KC

Angela Nelson  
Director, Consumer Affairs Division
- Carol Harden, Manager, Consumer Services
- Carrie Couch, Manager, Investigations

Rochelle Hendrickson  
Director, Resource Administration Division
- Grady Martin, Manager, Budget
- Shirley Gerling, Manager, Support Services
- Keith Dudenhoefler, Manager, Human Resources
- Brenda Otto, Manager, Licensing
- Matt Barton, Regulatory Project Manager

Jane Rackers  
Director, Professional Registration Division
- Sandy Sebastian, Director, Human Resources
- Earl Kraus, Legal counsel
- Don Eggens, Chief investigator, Central Investigative Unit
- Matt Barton, Regulatory Project Manager

Director (vacant)  
Division of Credit Unions
- Ken Bonnot, Deputy director
- Debbie Davis, Office manager
- Kevin Weaver, Chief examiner

Rich Weaver  
Commissioner, Division of Finance
- Greg Barlow, Deputy commissioner
- Jeff Maassen, Chief examiner
- Christie Kincannon, Chief counsel
- Joe Crider, Supervisor, Consumer Credit
- Jerry Jines, Supervisor, Mortgage Licensing
- Kim Sandbothe, Manager, Fiscal and Administrative

June 9, 2010
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.
Market Regulation / NAIC

• September 23 Reforms
• Health Insurance Rate Review
• Initiatives through the NAIC
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
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
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
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)
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
  o Rescissions, Individual and Group Market Reform
• ERISA Subgroup
  o Uniform Fraud Reporting and MEWA Fraud Provisions
• Senior Issues Task Force
  o Medigap Changes for Packages C and F
NAIC

Financial Condition (E) Committee and Life and Health Actuarial Task Force
  • Health Reform Solvency Impact
    o Rate Review and Medical Loss Ratio
  • Reinsurance Task Force

Market Regulation and Consumer Affairs (D) Committee:
  • Antifraud Task Force
    o Uniform Fraud Reporting Forms, Uniform Fraud Reporting Instructions and Uniform Reporting Form Case Update
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
Health Complaints by Reason

- Underwriting: 49
- Marketing & Sales: 165
- Claim Handling: 674
- Policyholder Service: 141
Underwriting Complaints

- Cancellation: 11
- Premium & Rating: 15
- Refusal to Insure: 7
- Rescission: 3
Claim Handling Complaints

- Adverse Benefit Determination: 12
- Assignment of Benefits: 9
- Coordination of Benefits: 10
- Co-Pay Issues: 12
- Delays: 169
- Denials: 352
- Out of Network Benefits: 20
Policyholder Service Complaints

- Access to Care: 5
- Coverage Question: 30
- Premium Notice/Billing: 43
- Premium Refund: 40

Department of Insurance, Financial Institutions & Professional Registration
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

2010
- March 23rd
  • PPACA legislation passed

March-Dec.
- State planning grants available
- Exchange planning begins
- Begin drafting of regulations

2011
- January
  • Exchange NPRM is published

March
- Exchange grants become available to states*

May
- Final exchange regulations published

2012
- June-Sept.
  • States notify HHS of intent to establish/operate exchange
  • States enact exchange and insurance reform legislation

2013
- January
  • HHS decision to operate Exchanges in certain states*

March 1st
- Employer notice requirements due to employees*

June-Sept.
- Plans submit marketing materials for approval
- Testing of Exchange website/portal

2014
- August
  • State exchanges finalize available options

- Plans begin marketing
- Exchange website/portal becomes operational

2015
- January
  • Exchanges operational for individual and small employers (for states defining small employers as 1-50)*

2016
- January
  • Exchanges must be self-sustaining*
  • States must allow small employers up to 100 employees into Exchange*

2017
- January
  • States may permit large employers in Exchange*

* 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.
Discussion on Issues

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

Closing Comments from Co-Chairs