



# PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

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## In this Issue

<b>Commissioner's Greeting</b>	<b>1-2</b>
<b>Balance Billing Hearing</b>	<b>2</b>
<b>Young Adult Outreach</b>	<b>3</b>
<b>PACE Act</b>	<b>3</b>
<b>3D Mammogram Coverage</b>	<b>4</b>
<b>2016 Rates Announcement</b>	<b>4</b>
<b>Underage Drinking Suspension</b>	<b>5</b>
<b>Recent Press Releases</b>	<b>5</b>

You can contact the department at [ra-in-Insights@pa.gov](mailto:ra-in-Insights@pa.gov) or through the contact form located on the homepage of our recently redesigned website.

## A message from the Insurance Commissioner...

During the month of October, Governor Wolf proved his commitment to protecting consumers by taking strong stands on several important issues.

Following the Governor's direction to guarantee that Pennsylvanians can continue to have options and shop for health insurance in a competitive marketplace, I announced the approved 2016 rates for individual and small group health insurance plans under the Affordable Care Act. To prevent excessive costs for consumers, the rates I approved will save consumers nearly \$81 million compared to the rates proposed by health insurers in June.

First Lady Frances Wolf also announced that the administration will enforce our state law requiring coverage for annual mammograms as written to cover all mammograms – regardless of which type of mammogram is recommended to a woman by her doctor. This announcement answered questions posed to the administration regarding whether current law guaranteed coverage for 3D mammograms, a newer technology, in



addition to 2D mammograms. This will help make sure women have access to these important, often life-saving tests.

I continue to hear from many consumers who, despite their best efforts to make sure the providers and facilities they use for medical care are in their insurer's network, get a surprise balance bill, because somewhere during their treatment a provider or facility involved in that treatment was out-of-network.

*(continued on page 2)*



## A message from the Insurance Commissioner...

(continued from page 1)

I held a hearing to gather information from all parties involved in this issue, and am reviewing what we learned with the goal of reaching a solution that protects consumers from these unwelcome costs.

These and other issues offer all of us who touch insurance consumers the chance to work together to make sure consumers are treated fairly and receive the care they deserve at fair prices. I look forward to working with you in this effort.

As we enter into open enrollment for 2016, I want to make sure Pennsylvania's consumers are fully aware of their options and how to navigate the health insurance marketplace. Some consumers might want to explore another option for their 2016 coverage, and some might not know how to go about doing this.

My department recently released consumer education materials in the form of a video and a shopper's guide to help explain the buying process. These materials are

available under the "Coverage" tab in the "Health" section of our website, [www.insurance.pa.gov](http://www.insurance.pa.gov). I hope that you will share these with consumers so that they feel empowered to make the coverage decision that is best for them and their family.

Thank you,

Teresa Miller  
Insurance Commissioner

## Insurance Department Holds Hearing on Balance Billing in Pennsylvania

Responding to consumer complaints, Commissioner Miller convened a public hearing on the issue of surprise balance bills. These are bills consumers get after they receive health care, despite the consumer's best effort to make sure providers and facilities they use are in their insurer's network.

Consumers testifying at the hearing told of instances where they had made sure their surgeon and the hospital where surgery was performed were in-network but received a bill from the anesthesiologist when the consumer had no way of knowing who would be providing that service. Another consumer reported giving birth with an in-network OBGYN at an in-network hospital, but a neonatologist needed to see the baby and

the only available neonatologist was not in-network. Consumers also told of getting mammograms from in-network providers at in-network facilities only to be billed when the test was sent to an out-of-network facility to be read.

Doctors, hospitals, insurers, and other interested parties also testified at the hearing, video of which is available on the Insurance Department website, under Top Pages, by clicking on Public Hearing Archive.

Commissioner Miller is now reviewing the information gathered at this hearing. Her goal is to find a solution to the surprise balance billing issue that protects consumers. The commissioner stated at the hearing patients need to concentrate on getting well and not worry about whether a big bill is coming in the next day's mail.



Executive Deputy Commissioner Seth Mendelsohn, Commissioner Teresa Miller, and Chief of Staff Jessica Altman hear testimony from Senator Judy Schwank at the Oct. 1 hearing.

## Wolf Administration Begins Health Insurance Outreach to Young Adults at Penn State

The Wolf Administration launched an outreach program to help educate college students about their options for buying health insurance, something many students will be doing on their own for the first time either during their time on campus or upon graduation.

Commissioner Miller announced the program at a news conference at Penn State's University Park campus. Penn State is one of the schools partnering with the Insurance Department to send a letter from Commissioner Miller telling students that health insurance is now mandatory and not having a plan that meets Affordable Care Act standards could result in a tax penalty. The letter also informs students of their options for health insurance under the ACA and directs them to the Insurance Department website,

[www.insurance.pa.gov](http://www.insurance.pa.gov), to get information on health plans and examples of the monthly premiums in their area. All health plans available through the federally-run marketplace are available on [www.health-care.gov](http://www.health-care.gov), as of November 1.

Speaking at Penn State, Commissioner Miller said health insurance is something most college

students have never thought about in terms of something they have to buy, but it is a purchase they should research and consider carefully. She was joined in urging students to get better educated about health insurance by Penn State's Senior Director of University Health Services Dr. Robin E. Oliver and University Park Undergraduate Association President Emily McDonald.

In addition to Penn State, the 14 member schools of the State System of Higher Education, the 89 member schools of the Association of Independent Colleges and Universities of Pennsylvania, Harrisburg Area Community College, and Montgomery County Community College have received Commissioner Miller's letter to distribute to their students.



Commissioner Teresa Miller speaks at Penn State's HUB-Robeson Center on October 22. She was joined by Dr. Robin E. Oliver, senior director for University Health Services, and Emily McDonald, president of the University Park Undergraduate Association.

## Pennsylvania's Small Group Definition Follows PACE Act

Recently-signed federal legislation, known as the PACE Act, means the definition of a small group for purposes of health insurance in Pennsylvania will remain at 50 or fewer. The definition of small group in state law (Act 134 of 2011) incorporates the federal definition. Therefore, as the PACE Act retains the 50 employee limit in the federal definition of small group, Pennsyl-

vania's definition of a small group will also remain at 50 or fewer.

Consistent with federal guidance, Commissioner Miller said the Insurance Department will not accept adjustments to already approved rates for the first quarter of 2016. If the change in the definition of the small group market impacts the rate assumptions that issuers made in their 2016 filings, issuers

may file quarterly rate changes for the second quarter and later in 2016 to reflect this change. The small group single-risk pool must follow the state definition of small group market, so all future small group rate filings should only include experience and projections for group policies covering employers with 50 or fewer employees.

## First Lady Frances Wolf Announces Coverage for 3D Mammograms

First Lady Frances Wolf announced, at the annual meeting of the Pennsylvania Breast Cancer Coalition in Harrisburg, that the Wolf Administration's position is that 3D mammograms are to be covered annually for women at no cost -- the same as traditional 2D mammograms. The First Lady told the gathering that Pennsylvania law states that mammograms are to be covered and does not specify a particular technology, thus the law includes all mammograms.

Commissioner Miller conferred with the Governor and First Lady on

this issue after receiving a legislative inquiry on the topic and hearing from some women that they were offered the choice of a 2D or 3D mammogram, and if they chose the 3D exam, they were charged, on average, between \$50 and \$60. Other women reported that they received

the 3D tests without their knowledge and then got a bill.

Because mammograms can detect breast cancer early and thus help save lives, Governor Wolf believes if a doctor feels a 3D mammogram is appropriate for a given patient then that is the technology that should be

used. Commissioner Miller said Governor Wolf is taking a strong stand for women in clarifying the administration's policy that all annual mammograms for women age 40 and over, or if prescribed by a doctor, will be covered at no cost.

October is Breast Cancer Awareness Month.



First Lady Frances Wolf addresses the Pennsylvania Breast Cancer Coalition in Harrisburg, PA on October 5. (Photo: [www.flickr.com/GovernorTomWolf](http://www.flickr.com/GovernorTomWolf))

## Insurance Department Announces 2016 ACA Rates, Saves Consumers Nearly \$81M

Commissioner Miller recently approved 2016 rates for individual and small group health plans under the Affordable Care Act. The approved rates will save Pennsylvania consumers nearly \$81 million compared to what insurers proposed in the summer, while maintaining a competitive market in which all consumers have several health plans from which to choose.

Twelve of the 19 companies offering individual health plans and all of the 23 companies offering small group plans will get premium increases under ten percent. As the

impact on consumers is the Wolf Administration's top priority when considering rate proposals, Commissioner Miller was concerned particularly by the six companies who proposed rate hikes of more than 25 percent. She ultimately approved final rates significantly lower than were originally proposed. Final approved rates are available at [www.insurance.pa.gov](http://www.insurance.pa.gov) under "Approved 2016 Affordable Care Act Rates," and examples of premiums in each area of the state are available under "2016 Affordable Care Act Rates by Rating Area."

The commissioner encouraged all consumers to take advantage of Pennsylvania's competitive market and shop around to see if there is a better plan which offers benefits better suited to their needs. She noted that all Pennsylvanians have the choice of at least four individual plans.

To help consumers shop for health insurance, the Insurance Department has produced a shopper's guide and video. These are available on the department website, under the "Coverage" tab in the "Health" section.

### Court Upholds Commissioner's Decision, Underage Drinking Cannot Cause Cancellation

While underage drinking is a serious violation and can result in the suspension of your driver's license, the Commonwealth Court recently upheld Commissioner Miller's ruling that under state law, an insurer cannot cancel a driver's auto insurance as a result of a license suspension for underage drinking—even if the policy is cancelled within the first 60 days.

The ruling stemmed from a May 2014 policy cancellation by State Farm Mutual Automobile Insur-

ance Company, which argued that a cancellation within 60 days was permitted because it should instead be considered a "refusal to write" coverage under the law. As Commissioner Miller correctly decided, however, the state law that protects consumers against insurance cancellation for such license suspensions—unlike other laws—makes no distinction between cancellations within 60 days or thereafter and prohibits cancellations at any time for this reason. State law also bars in-

surers from raising rates, imposing surcharges, or refusing to renew policies on this basis.

Commissioner Miller said the underage drinking conviction carried with it a 90-day driver's license suspension. She said the law prohibits the further action of auto insurance cancellation, which could have a negative impact on an individual's ability to work and undertake other essential travel once the license suspension is lifted.

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### Recent Press Releases

October 22, 2015 - Wolf Administration Launches Health Insurance Outreach to College Students As Start of Enrollment Nears

October 19, 2015 - Insurance Department Warns Drivers of Peak Deer Crash Season

October 15, 2015 - Insurance Department Announces 2016 Affordable Care Act Rates, Decreases Proposed Rates By Nearly \$81M

October 8, 2015 - Insurance Commissioner Congratulates Mature Driver Safety Class, Raises Awareness About Auto Discounts

October 5, 2015 - Governor and First Lady Wolf Announce 3D Screening Mammograms Must Be Available to Women at No Extra Cost

October 2, 2015 - Insurance Department Provides Homeowners Information for Filing Storm Damage Claims

October 1, 2015 - Insurance Commissioner Holds Public Hearing on Surprise Balance Billing

September 29, 2015 - PID Offers Help Finding Lost Life Insurance Policies, Location of Policies Issued by Now Defunct Companies

September 24, 2015 - Insurance Commissioner Congratulates Mature Driver Safety Class, Raises Awareness About Auto Discounts

September 21, 2015 - Insurance Commissioner Says Consumers Will Not Pay Out-of-Network Costs if Provider Directory Is Out-of-Date

September 17, 2015 - Insurance Department Alerts Consumers of Deadline Extension for FEMA Review of Hurricane Sandy Claims

September 16, 2015 - Insurance Department Continues Consumer Protection Push, Prohibits "Widow's Penalty" in Pa.

September 10, 2015 - Insurance Department Alerts Consumers to Unlawful Practice of "Price Optimization" by Insurance Companies