



PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter Volume 1, Issue 9 January 2016

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A message from the Insurance Commissioner...

One of the commitments Gov. Wolf and I made on taking office a year ago was to make state government more transparent. This includes making how we do business more open to the public and to the insurance industry.

Our recent proposal, detailed in this issue, to protect consumers from surprise balance bills is an example of this transparency. We invited all sides to testify at a public hearing on this topic in October and sought comments from the public.

After hearing from the public, health care providers, and industry, we developed a proposal that is available on our website's homepage, along with an email address where anyone involved, consumers, insurers, or providers, can send comments. We believe important issues should include this open input to our decision-making process.

Likewise, flood insurance remains an important issue for Pennsylvania consumers, and I was able to testify before a congressional subcommittee this month



discussing my support for federal legislation that would encourage more private flood insurers to enter the market.

Flood insurance is one area where I hope to help influence the discussion nationally as part of my new appointment as chair of the National Association of Insurance Commissioners' committee dealing with property and casualty insurance.

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A message from the Insurance Commissioner...

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As open enrollment for 2016 health coverage closes, we released proposed state-specific guidelines for rate review going forward. The federal guidelines will still be in effect, but I believe having guidelines that standardize our rate review process will help our department

in approving rates that both protect consumers and meet the financial needs of insurers.

As we continue our work on behalf of Pennsylvania's insurance consumers, we are often in need of top notch employees. Perhaps you have thought about a public service

career, and in this issue we offer information on how to apply for jobs here at the Insurance Department.

Thank you,

Teresa Miller
Insurance Commissioner

Insurance Department Announces Proposed Balance Billing Solution

Commissioner Miller announced a proposal to protect consumers from surprise balance bills, which happen when a health care consumer makes a good faith effort to use providers and facilities in his or her network, but during treatment receives a service from an out-of-network provider and gets a surprise bill for this service.

The Insurance Department held a public hearing on this topic in October, gathering testimony from a legislator, consumers and consumer advocates, providers, hospitals, insurers, academics and economists. The information garnered at this hearing helped develop the proposal, which calls for consumers to be taken out of

balance billing disputes between insurers and providers.

Under the proposal, a consumer would pay no more than what he or she would owe to an in-network provider rendering the service, such as co-pays, under the insurance plan. Providers and insurers would have several options to work out a payment arrangement under this plan. If the two sides fail to agree, then each would submit a proposal to an arbitrator, who would make a final, binding decision.

In keeping with Gov. Wolf's call for transparent government, the Insurance Department is asking for stakeholder and public input on the overall proposal as well as several specific parts of the proposal.

Individuals can submit comments by going to www.insurance.pa.gov, and clicking on Proposed Balance Billing Solution. The comment period is open until February 29, 2016.

The proposal would require legislative approval. Commissioner Miller said she is looking forward to the comments and to working with legislators to develop a plan to protect consumers from these surprise balance bills.

"When someone is undergoing medical treatment, that person should be worrying about getting better, not about whether a bill is going to show up in tomorrow's mail," Commissioner Miller said.

Looking for a Job Opportunity? The Insurance Department is Hiring!

The Pennsylvania Insurance Department provides many meaningful opportunities for talented individuals to use their skills and experience to make sure consumers get the most protection for their insurance dollars. While the department develops many recent college graduates, many department positions require the expertise gained through working in the insurance industry.

The Insurance Department encourages anyone interested in

a fulfilling career serving the public to consider applying to the department. Various jobs at the department require customer service skills to help consumers with insurance related issues. Other positions at the department include financial examiners and analysts, actuaries, and investigators.

Most jobs at the Insurance Department are filled through the State Civil Service Commission. Information about current test announcements and the application

process is available on the Commission's website, www.scsc.pa.gov, or by calling 717-783-3058. The Bureau of State Employment handles non-civil service openings. For an application, go to www.employment.pa.gov.



Insurance Department Issues Guidelines for 2017 Health Insurance Rate Filings

Commissioner Miller has made transparency a top priority for the department and believes transparency needs to work both ways. The department is striving to be more transparent with the industry about its priorities and processes, while at the same time trying to make more information about its insurance markets available to the public and understandable for consumers.

To help achieve these goals, the department has posted on its website draft guidance that proposes requirements for information issuers must submit in their 2017 ACA-compliant individual and small group health insurance rate filings. The department's goal with this guidance is to make sure the initial rate filings contain the information

the department needs to evaluate fully the proposed rate changes and that the information is presented in a clear and consistent manner. The guidance will also outline and standardize what information contained in the rate filing the department intends to make public, when it will be made public, and how it will be presented to consumers.

Getting the information in this way will help the Insurance Department speed its review by reducing follow up questions, better communicating proposed rate changes to consumers, and making the best decisions to protect consumers and maintain Pennsylvania's competitive market. The Insurance Department is accepting public comments on the proposed guidance through

February 5th, and will release final guidance later in February.

In addition, the department published a notice to the health insurance industry that certain policy forms, including small group forms previously exempted from filing, will now be subject to filing with the department. The notice, published in the January 23rd Pennsylvania Bulletin, also reminds insurers to file certain other policy forms and rates. This will allow the department to assure compliance with state and federal law, and allow Pennsylvania to maintain its status under the ACA as an effective rate review state, providing consumers all the protection and benefits required by the law.

Commissioner Encourages Coverage Ahead of Open Enrollment Deadline

On January 27, Commissioner Miller continued her outreach efforts surrounding the 2016 Open Enrollment period with an appearance on WITF's Smart Talk. Speaking alongside health insurance

navigator Lynn Keltz, Commissioner Miller reminded consumers of the upcoming January 31 deadline for obtaining 2016 health insurance and encouraged all consumers to explore every option for coverage.

"Due to federal requirements, unless you encounter a particular life event, this may be the only time you're able to select cover-

age for 2016," said Commissioner Miller. "If you already selected a plan and you are unsatisfied with your decision or want to explore other options, you may still select a different plan."

Commissioner Miller reminded listeners that if they do not obtain health insurance coverage, they may face a tax penalty for 2016, and this penalty is increasing from previous years to \$695 or 2.5% of

a consumer's annual income, whichever is higher. For many Pennsylvanians, paying this penalty could cost more than purchasing one of the lowest-cost plans available through the federal marketplace.

Open enrollment for 2016 health insurance coverage continues through Sunday, January 31st. For more information, visit HealthCare.gov.



Commissioner Miller and health insurance navigator Lynn Keltz discuss the end of the open enrollment period on WITF's Smart Talk.

Commissioner Testifies Before Congress on Expanded Flood Insurance Options

Commissioner Miller testified before a Congressional subcommittee that pending federal legislation addressing some of the unintended consequences resulting from the Biggert-Waters Flood Insurance Reform Act of 2012 would help provide consumers with flood insurance options and is in line with the Wolf Administration's plans to help homeowners and renters get better access to information regarding the availability of private flood coverage.

The commissioner testified on

behalf of the National Association of Insurance Commissioners before the House Committee on Financial Services' Subcommittee on Housing and Insurance in support of House of Representatives Bill 2901 (HR 2901), the Flood Insurance Market Parity and Modernization Act. This bill, Commissioner Miller said, would facilitate the entry of additional carriers into the market and provide consumers with access to additional options for flood insurance.

One of the obstacles to attract-

ing more private insurers to the flood market is that many lenders are reluctant to issue mortgages for homes with private flood coverage, because they are not sure the coverage meets the requirements of the federal government. HR 2901 would remove that obstacle.

Commissioner Miller told the subcommittee this bill would fit well with an initiative she is planning to announce soon to help Pennsylvanians find private flood insurance.

Commissioner Miller Appointed Chair of NAIC Property and Casualty Committee

Commissioner Miller is the new chair of the National Association of Insurance Commissioners' (NAIC) committee on property and casualty insurance, known as the "C" committee, a position which will allow her to influence national policy discussions on insurance areas such as homeowners, auto, and flood coverage.

"Chairing this committee will give me a good vantage point from which to survey what various states

are doing in these areas of insurance, and bring the best ideas back to Pennsylvania," Commissioner Miller said following her appointment.

She added that this position will give her a greater voice in pushing state and federal government coordination in areas that can increase market competition and consumer protection in Pennsylvania's insurance markets.



Commissioner Miller testifies to a Congressional subcommittee on January 13.

Recent Press Releases

- January 21, 2016 - National Study Finds Pennsylvania Has Fifth Lowest Health Insurance Cost For Plans Offered Through ACA
- January 20, 2016 - Insurance Commissioner Offers Tips on Winter Weather Damage to Homes and Autos
- January 19, 2016 - Insurance Commissioner Announces Proposed Solution to Protect Consumers From Surprise Balance Billing
- January 13, 2016 - Insurance Commissioner Testifies in Support of Consumer Protection Bill, Encourages Private Flood Insurance
- December 21, 2015 - Governor Wolf Moves CHIP into the Department of Human Services
- December 21, 2015 - Wolf Administration Offers Tips on Home Holiday Safety
- December 14, 2015 - Insurance Commissioner Reminds Consumers to Review Coverage Before Purchasing a Drone
- December 11, 2015 - Wolf Administration Continues Health Insurance Outreach and Education, Reminds Consumers of Deadlines