

PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

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pennsylvania
INSURANCE DEPARTMENT

A message from the Insurance Commissioner...

While the proposed American Health Care Act, the Trump Administration's replacement for the Affordable Care Act, is off the table for now, work continues to make sure Pennsylvania consumers continue to have access to health insurance at affordable prices.

Traveling around the state over the past month, I found many Pennsylvanians are deeply worried about this. From a town hall in Pittsburgh, to a television show taping with a labor union in Steelton, to meetings with hospital administrators, elected officials, and consumers in Pittsburgh, I am hearing from many people across our state that the ACA is working for them and the proposed replacement would not have.

Governor Wolf and I are committed to working on behalf of all Pennsylvanians to continue the improved access to health insurance that has benefited Pennsylvanians since the ACA took effect. Our uninsured rate has dropped from 10.2 percent to 6.4 percent, the lowest it has ever been. We cannot retreat from this



progress, but must keep improving this law to make it work better for all Pennsylvanians.

Our consumer protection outreach on flood insurance continues, as I spoke to residents in Centre County who were hard hit by flooding last fall. Many of those residents are outside of special flood hazard areas, where flood insurance is required by many mortgage lenders. I am encouraging all homeowners to think about this added protection.

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A message from the Insurance Commissioner...

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We also gained court approval to place Penn Treaty Network American Insurance Company and American Network Insurance Company into liquidation. These insurers, primarily providing long-term care policies, have liabilities that are too great to be covered by their assets and future

premiums. This move will protect consumers up to the amount covered by their state guaranty association. Penn Treaty and American Network have approximately 76,000 policies nationwide, including 9,000 in Pennsylvania. If a consumer with a policy from one of these companies has questions about how this will

impact their coverage, they should call 1-800-362-0700.

Thank you,

Teresa Miller
Insurance Commissioner

Wolf Administration, Elected Officials, and Consumers Discuss Impact of ACA Repeal in Pittsburgh

Since the Affordable Care Act was passed, 1.1 million Pennsylvanians have insurance through the Affordable Care Act's health insurance exchange and the Medicaid expansion, and Pennsylvania's uninsured rate has dropped from 10.2 percent in 2010 to an all time low of 6.4 percent.

Approximately 6.1 million Pennsylvanians today benefit from access to free preventive care services, 5.4 million cannot be denied health insurance coverage due to a pre-existing condition, and 4.5 million are no longer subject to annual and lifetime limits that used to be placed on covered benefits. These protections benefit all Pennsylvanians and are not limited to those who receive coverage through the Medicaid expansion or a plan purchased on the exchange.

On March 23, the seven year anniversary of the Affordable Care Act's signing, Commissioner Miller joined Secretary of Human Services Ted Dallas, Senator Jay Costa, Representative Dan Frankel, Allegheny County Executive Rich Fitzgerald, Pittsburgh Mayor Bill Peduto, Dr. Terence Dermody, and Pennsylvania consumers at Children's Hospital of Pittsburgh of UPMC to discuss the serious implications of repealing the ACA for Pennsylvania consumers.

"Rather than looking for solutions that expand upon the progress of the Affordable Care Act, leaders in Congress and the Trump Administration are doubling down on a proposal that the Congressional Budget Office estimates would cost 24 million people their health insurance by 2026 – including 14 million in 2018 alone," Commissioner Miller said at the event.

Commissioner Miller, Secretary Dallas, the local elected officials, and hospital staff were joined by Casey Dye, a marketplace consumer whose daughter is on Medicaid due to a severe speech

disorder. Because of this coverage, she and her husband are able to afford therapy sessions and in-school support. The Dyes enrolled in a marketplace plan after the husband lost his job.

"I want my daughter to have not just a great childhood, but to grow up and be an independent and productive member of our society," said Mrs. Dye. "If you take these services away, she is not going to be able to do that."

Congress later pulled the American Health Care Act before it could be voted on by the full U.S. House of Representatives.



Commissioner Miller discusses the impact of a potential Affordable Care Act repeal at the March 23 event at Children's Hospital of Pittsburgh of UPMC.

Commissioner Miller Provides Information for Flood Victims

Commissioner Miller led a contingent of state officials from three state agencies to provide information about flood insurance and potential grant opportunities to residents in areas of Centre County hard hit by flooding last fall.

In October, a storm dropped several inches of rain on portions of northeastern Centre County, causing what local officials called the worst flooding in the county in a decade. About 100 people had to be evacuated or rescued.

Commissioner Miller told local elected officials and residents that her department has information on the federal government run National Flood Insurance Plan and private flood coverage that is becoming more widely available on a one-stop shop webpage at www.insurance.pa.gov, by clicking on the "Flood" icon under "Insurance Coverage Resources".

The commissioner also noted many of the homes damaged in last fall's flooding are not in Special Flood Hazard Areas as designated by the Federal Emergency Management Agency. Many homeowners in these areas are not required by their mortgage lender to have flood

insurance, which is not covered by typical homeowners insurance.

However, homeowners outside of these designated areas may purchase the added coverage if they want. Commissioner Miller urged all homeowners to think about this coverage, particularly if they live outside of the designated flood hazard areas, as the insurance may be less expensive there.

Officials from the Pennsylvania Emergency Management Agency discussed potential grants for homeowners and municipalities. An official from the Department of Community and Economic Development also told homeowners that they can challenge the inclusion of their property in a special flood hazard area, if they believe the inclusion is in error. Information on filing this challenge is available at www.fema.gov/information-homeowners.

**Looking for more
information on flood
insurance?**

Click here!

PCN Show with AFL-CIO

Union leaders and union members from around Pennsylvania expressed their worries about proposed changes to the Affordable Care Act to Commissioner Miller and panel participants during a statewide television program hosted by the Pennsylvania AFL-CIO, which aired on PCN.

Union officials vowed to fight proposed changes they see as reducing benefits and increasing costs for Pennsylvania workers. One of the coverages the union sees as crucial to maintain is providing treatment for substance use disorders. Commissioner Miller noted approximately 175,000 people in the state are getting substance use disorder treatment either through expanded Medicaid or through the private individual market, both made possible by the ACA. Noting the magnitude of this population, Commissioner Miller said the number of people having access to this treatment because of the ACA would constitute Pennsylvania's third-largest city.

AFL-CIO Secretary-Treasurer Frank Snyder was blunt, saying without this ACA mandated coverage, "people will die."

Union members told the panel the ACA has made a difference in their lives. One man said because of the ban on annual and lifetime limits, he is able to get the care needed for his wife, who has MS. Commissioner Miller said this is an example of how the ACA is helping people who have employer-provided health insurance, and for these people and most in Pennsylvania, the ACA is working well. She said the individual market, which covers about five percent of residents, is where the law needs to be improved.



Commissioner Miller and representatives from the Pennsylvania Emergency Management Agency and the Department of Community and Economic Development address flood victims in Milesburg, Pa.

Commonwealth Court Approves Liquidation of Penn Treaty and American Network

Keeping consumer protection as the Wolf Administration's top priority, Commissioner Miller announced Commonwealth Court approval of petitions to liquidate Penn Treaty Network American Insurance Company and American Network Insurance Company. This action will allow policyholder claims to be paid through the state guaranty association system, subject to statutory limits and conditions.

The commissioner said following an eight-year legal process, the court's decision to approve the liquidation recognized the companies' financial difficulties are too great to be remedied, and that consumers are best protected through the state guaranty association system.

The two companies have

approximately 76,000 policyholders nationwide, including 9,000 in Pennsylvania. More than 98 percent of Penn Treaty and American Network's policies are long-term care insurance.

Under Pennsylvania law, claims of policyholders residing in Pennsylvania are paid up to the maximum amount provided for by the policy, subject to the guaranty association cap of \$300,000. The liquidator and the court will determine whether any payments for claims above the cap can be made from the companies' remaining assets to any policyholders who may have claims in excess of the cap. Actuarial models show about 50 percent of policyholders are expected to have claims in excess of what will be paid by the guaranty association covering

their policies.

Guaranty associations may seek to increase premiums. Any guaranty association rate increase will be subject to approvals required by law which, depending on the state, may include a review process similar to rate requests filed by long-term care insurers with state insurance regulators.

Policyholders should continue making premium payments to the following address: Penn Treaty, P.O. Box 70257, Philadelphia, PA 19176-0257. Claim submissions should continue to be sent to: Penn Treaty, P.O. Box 7066, Allentown, PA 18105-7066. Policyholders with questions about policies, claims, or related to liquidation should call Policyholder Services at 1-800-362-0700.

Recent Press Releases

March 30, 2017 - Wolf Administration Announces Workers' Comp Insurance Rate Cut

March 23, 2017 - Wolf Administration and Others Discuss Implications of ACA Repeal for Pennsylvania Consumers

March 20, 2017 - Wolf Administration Provides Information on Flood Insurance to Residents of Centre County Hit by Flooding

March 15, 2017 - Insurance Commissioner Offers Tips on Dealing with Winter Weather Damage to Homes and Automobiles

March 8, 2017 - Administration Strengthening Mental Health & Substance Use Disorder Protection Through Compliance Training

March 1, 2017 - Insurance Commissioner Announces Liquidation of Penn Treaty and American Network Insurance Companies

March 1, 2017 - Wolf Administration Warns of Phone Scam Using State Health Center Phone Numbers

February 27, 2017 - Governor Wolf Announces More Than \$157M in Restitution Payments to Pennsylvania Consumers in 2016

February 22, 2017 - Wolf Administration Officials Discuss Implications of ACA Repeal for Pennsylvania Consumers

February 8, 2017 - Insurance Commissioner Testifies in Support of Pharmaceutical Price Transparency Bill to Help Control Costs

February 2, 2017 - Insurance Commissioner Marks One-Year Anniversary of One-Stop Shop Flood Insurance Webpage

January 26, 2017 - Insurance Commissioner Reminds Pennsylvanians of Upcoming Open Enrollment Deadline

January 26, 2017 - Insurance Commissioner Appointed Chair of National Task Force on Senior Issues