



PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

Volume 1, Issue 8 December 2015

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pennsylvania
INSURANCE DEPARTMENT

A message from the Insurance Commissioner...

Working together, we have accomplished much for Pennsylvania consumers during 2015.

First and foremost, Governor Wolf established consumer protection as the top priority for the Insurance Department, and that is the priority under which I have worked throughout the year. Among the initiatives we have undertaken in 2015 are to revamp our website and make it much more user friendly and do all we can to let consumers know we are here as a resource for them to make the best choices in purchasing insurance and using their coverage.

To this end, we added a consumer liaison to the department to work directly with consumers to educate them on insurance issues. I believe that having someone directly in touch with consumers on an ongoing basis helps all of us who work as regulators better understand the needs of those buying insurance and helps us better craft policies to serve our citizens.

Throughout the year, the Wolf Administration took strong stands on several important consumer



issues. These include winning a court battle to protect more than 180,000 seniors in western Pennsylvania and allowing these seniors to keep their Medicare Advantage coverage through Highmark and continue to have access to UPMC providers and facilities. The Governor also clarified that Pennsylvania law covers 3D mammograms the same as traditional 2D mammograms and therefore are to be provided annually at no cost to women.

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A message from the Insurance Commissioner...

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Over the year, we heard complaints that health care consumers, despite their best efforts to use in-network providers and facilities, were still receiving surprise “balance bills,” for out-of-network care because somewhere in their course of care, they were treated by an out-of-network provider or at an out-of-network facility. At an October public hearing on this issue, we gathered testimony from everyone involved in this issue and are working on a proposed solution to make sure consumers in the future do not face these surprise bills so they can concentrate on getting well without worrying that an unexpected bill is going to show up in the mail.

The impact on consumers of individual and small group health insurance rates is why I reduced the

proposed rates for these plans, under the Affordable Care Act, by nearly \$81 million from the initial proposals. Consumers are now choosing their coverage under these rates for 2016. While protecting consumers from the higher rate increases, we are maintaining a competitive market with every Pennsylvanian having at least four individual plans from which to choose.

We added a consumer alert section to our new homepage to keep consumers abreast of our latest alerts. Included among the alerts posted this year is one covering my policy to not approve auto insurance rates containing a so-called “widow’s penalty”, charging a widow a higher rate than a married person for auto insurance, unless the insurer has statistical support for the higher rate. I also issued a notice to re-

mind insurers that a practice known as “price optimization” is not allowed under Pennsylvania law. Price optimization is the practice of charging higher rates to consumers who are shown by sophisticated computer software to be less likely to shop for other coverage, so those consumers pay higher rates than individuals who present the same risk to insurers but are likely to shop around. Such a practice is unfairly discriminatory under state law.

As we move into 2016, I look forward to working with all of you to keep Pennsylvania’s insurance market strong and competitive to benefit our citizens.

Thank you,

Teresa Miller
Insurance Commissioner

Commissioner Discusses Open Enrollment in Lancaster

On December 9, Commissioner Miller visited Project Access Lancaster County (PALCO) to speak with consumers about the open enrollment period for health insurance and to remind them of the importance of exploring options for coverage as well as important deadlines that they needed to remember when shopping on the federal marketplace.

Speaking alongside representatives from PALCO, the Pennsylvania Health Access Network, and the Pennsylvania Mental Health Consumers’ Association, Commissioner Miller heard stories from consumers who obtained coverage through the federal health insurance marketplace and used navigators to guide them through the shopping process. Many of these

consumers found the process confusing during their first open enrollment period but expressed more confidence with shopping this year thanks to the help they received.

Commissioner Miller praised these consumers as well as PHAN, PALCO, and other local organizations that help many consumers explore their health insurance options and help them navigate the federal marketplace, which can seem overwhelming.

“I strongly recommend exploring all options available to ensure that you are getting the best plan for your needs and your money,” said Commissioner Miller.

Open enrollment continues through January 31. For more information, visit HealthCare.gov.

How to Use Your Health Insurance Video

Continuing with the Wolf Administration’s consumer education efforts, the department released a video advising consumers on best practices for using health insurance.

“For some consumers, open enrollment could be the first time that they’re purchasing health insurance,” said Commissioner Miller. “I want consumers to have the tools to make good use of the plan that they select.”

Click the image below to view the video.



Commissioner Miller Announces Retirement of Deputy Commissioner Steve Johnson

After 33 years with Pennsylvania state government, including 25 years with the Insurance Department and 18 years as Deputy Commissioner for Corporate and Financial Regulation, Steve Johnson is retiring at the end of December.

“This is truly the end of an era,” Commissioner Miller said. “Steve’s knowledge of the insurance business and commitment to keeping insurers financially healthy has played a major role in Pennsylvania’s leadership in insurance matters for years.”

Prior to serving as deputy commissioner, Johnson was Director of the Bureau of Financial Examinations in the Office of Corporate

and Financial Regulation and Chief of the Financial Analysis Division in this office. Before coming to the Insurance Department, he worked as a field auditor for the Department of the Auditor General and as chief analyst with the Pennsylvania Securities Commission.

At the Insurance Department, Johnson oversaw seven straight calendar years, 2005-2011, without an insolvency of a Pennsylvania domestic insurer, the longest such period in 64 years. He also managed the largest insurance insolvency in the world, Reliance, in 2001, and has helped manage the ongoing Highmark/UPMC issues in western Pennsylvania, to maintain a com-

petitive market for consumers.

Johnson has served, since its inception in 1994, on the National Association of Insurance Commissioners’ Statutory Accounting Principles Working Group. In 2011, he was appointed chair of the Financial Analysis Working Group. Johnson’s honors include NAIC’s Robert Dineen Award, in recognition of outstanding achievement as a career regulator, presented in 2001, and St. Joseph University’s first Risk Management and Insurance Executive of the Year, awarded in 2013.

A graduate of Shippensburg University, Johnson lives in Dauphin County with his wife, Betsy. The couple has two sons.

Commissioner Miller Announces Deputy Commissioner Appointments

Commissioner Miller announced the appointment of two deputy commissioners in areas of the department that oversee insurer financial stability, and protect consumers by making sure companies can pay claims.

Joe DiMemmo is the new Deputy Commissioner for Corporate and Financial Regulation. Commissioner Miller noted that DiMemmo has worked at the department for 26 years, including the last 12 as Deputy Commissioner for Liquidations, Rehabilitations, Special Funds, and Mcare. Before that, DiMemmo served for 14 years as Director of the Office of Liquidation and Rehabilitation Administration. DiMemmo also previously worked as the Director of the Bureau of Audits in the Auditor General’s Office in Pittsburgh and Harrisburg.

As Deputy Commissioner for Liquidations, Rehabilitations, Special Funds, and Mcare, DiMemmo directed the operations of Pennsylvania insurance companies in

receivership, as well as overseeing the Workers Compensation Security Fund, the Underground Storage Tank Indemnification Fund, the Auto CAT Fund, and Mcare, which provides liability insurance coverage for medical providers.

“Joe’s long experience dealing with the finances of insurers is the perfect background for him to take over the area of corporate and financial regulation, where his chief duty will be to protect consumers by making sure insurance companies have the resources to pay claims made by policyholders,” Commissioner Miller said. “Joe not only knows this area of the insurance business, he knows the Pennsylvania market very well, making for a smooth transition.”

DiMemmo has a business administration degree from Penn State and is a certified public accountant.

The commissioner appointed Laura Slaymaker Acting Deputy Commissioner for Liquidations, Re-

habilitations, Special Funds, and Mcare.

Slaymaker has worked for the past six years as a project director in the Office of Liquidations, Rehabilitations, and Special Funds. Prior to this, Slaymaker was a partner in the law firm of Slaymaker Heritage Law, a trial attorney for the Office of United States Trustee, general counsel at Scarff Brothers, Inc., and a shareholder in the law firm of Blakinger Byler and Thomas, P.C.

“Laura’s work in the area of liquidations and rehabilitations, and with Joe DiMemmo, should also make for a smooth transition and insure policyholders receive the most protection possible when companies go into rehabilitation or liquidation,” Commissioner Miller said.

An honors graduate of the University of Delaware and Dickinson School of Law, Slaymaker is an active resident in the Lancaster County community.

CHIP Program Transitioned to Human Services

Governor Wolf this month signed legislation moving the CHIP program from the Insurance Department to the Department of Human Services (DHS), a move that will allow this respected program to serve Pennsylvania's children even better.

Recent changes to federal law more closely align CHIP with Medicaid, which is administered in Pennsylvania by DHS. These changes will require computer system upgrades that will now have to be made in only one agency, not two, saving tax dollars. In addition, DHS is a service agency with staff experienced in helping Pennsylvanians get the most from their benefits, where-

as the Insurance Department is a regulatory agency. The Insurance Department is pleased that CHIP is now in the best place and that the department will now be able to focus solely on its regulatory functions.

Most importantly, CHIP will not change at all for the more than 150,000 children and their families who are served by this program. The insurers and benefits remain the same, as does the brand, and families can still use their same CHIP cards. Consumers will be dealing with the same staff who simply are now part of DHS rather than the Insurance Department.

Commissioner Commends Prudential Offering Life Insurance to HIV+ Individuals

One of Governor Wolf and Commissioner Miller's priorities is to expand accessibility to insurance coverage. Earlier this month, Commissioner Miller commended Prudential Insurance Company of America for doing this by announcing that it will make life insurance available to certain individuals living with HIV.

HIV positive individuals must meet a number of criteria to qualify

for the life insurance.

Prudential said in its announcement that medical advances over the past 30 years led to the change in its underwriting policy.

Commissioner Miller noted while the criteria will restrict the number of HIV positive individuals who will be eligible for this coverage, she added that her hope is that as medical advances continue, these criteria will

Autism Services Coverage

The Pennsylvania Superior Court in November upheld a Common Pleas Court ruling, supported by an Insurance Department notice and amicus brief, that Pennsylvania law requires insurance coverage of certain medically necessary autism services even when these services are provided in a school setting.

Consistent with this court decision and the department's position in this case, Commissioner Miller is reminding insurers that for plans subject to the autism mandate, medically necessary mandated autism services may not be excluded from coverage due to those services being provided in a school setting.

be lessened. She also encouraged other insurers to consider similar policies.

Despite the conditions for qualifying, Commissioner Miller said that there is no doubt this announcement is an important step forward in increased insurance accessibility for individuals living with HIV.

Recent Press Releases

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

December 9, 2015 - Insurance Commissioner Reminds Consumers of December 15 Open Enrollment Deadline

December 4, 2015 - Help Available to Assess Older Drivers' Safety

December 2, 2015 - Insurance Commissioner Commends Prudential for Making Life Insurance Available to HIV+ Applicants

November 30, 2015 - Governor Wolf Statement on UPMC and Highmark Medicare Advantage Ruling