



# PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

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## A message from the Insurance Commissioner...

As possible changes to the health insurance market continue to be debated by the new administration and Congress in Washington, one thing hasn't changed. Governor Wolf and I remain committed to working with Pennsylvania's health insurers to continue to stabilize the individual market so the approximately 5 percent of Pennsylvanians served by this market can access as many health insurance options as possible at the most affordable prices possible.



That is the message I and my colleagues at the Department of Health and the Department of Human Services delivered, along with several Pennsylvanians who are benefiting from the Affordable Care Act, when we discussed the human impact a repeal of several key parts of this law would have on citizens around Pennsylvania.

I have also been sharing this message across our state on PCN and with an opinion piece in several newspapers, and in discussions with editors.

in Washington, there are things we can do here in Pennsylvania to try to address health care costs. My department is involved in two key initiatives aimed at providing greater transparency in the cost of care.

Governor Wolf has included funding in his budget proposal for an All Payer Claims Database, which will provide new insights into what is driving health care costs in Pennsylvania.

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Regardless of what happens

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## A message from the Insurance Commissioner...

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I also recently testified in favor of the concept of drug price transparency at a House Insurance Committee hearing. It is my goal to work with everyone involved to move these issues forward as a means to shed more light on why health care is so expensive, and hopefully lead

to greater cost control.

We celebrated the anniversary of a big consumer win this month, announcing the number of private, residential flood insurance policies has more than doubled since we announced our one-stop shop flood insurance webpage last February. And, we also enhanced our outreach

to more Pennsylvanians by having our short videos on health insurance made available in Spanish.

Thank you,

Teresa Miller  
Insurance Commissioner

## Wolf Administration Officials and Consumers Discuss Implications of ACA Repeal for PA Consumers

Since the culmination of the 2016 election, much of the national dialogue has been centered around the future of the Affordable Care Act and how the Trump Administration will proceed with the law.

Governor Wolf, Commissioner Miller, and the rest of the Wolf Administration are committed to fighting for the 1.1 million Pennsylvanians who are covered under the Affordable Care Act's individual market plans and the Medicaid expansion, as well as the millions of others who benefit from the law's consumer protections. On February 22, Commissioner Miller, Secretary of Health Dr. Karen Murphy, and Secretary of Human Services Ted Dallas held a press conference in the Pennsylvania State Capitol Rotunda to give a voice to impacted consumers.

"Make no mistake -- repealing the Affordable Care Act will impact millions of people in Pennsylvania and around the country. Even individuals and families who have health insurance coverage through an employer will feel the effects of this," said Commissioner Miller. "However, as we discuss the future of the Affordable Care Act and the implications of a repeal, we cannot talk about impacted individuals as numbers only. These are real people whose ability to access and

afford necessary health care is at risk."

The Wolf Administration officials were joined by consumers who shared how the Affordable Care Act has impacted their ability to access care for themselves and their families. Carl Goulden, a consumer from Carlisle, shared how before the Affordable Care Act, he faced sharply rising premiums and extensive paperwork to validate employment before claims would be paid. Eventually, he and his wife dropped their coverage because they could no longer afford it and were unable to get new coverage due to pre-existing conditions. After the Affordable Care Act took effect, Carl and his wife were able to get

coverage again.

"The ACA protected me. The insurance industry, under the old system, could have cast me out and all those expenses would have been mine. The ACA saved my financial life," Carl said at the event. "If this bill is replaced or repealed, we go back to those days."

Secretary Dallas shared how the ACA's Medicaid expansion has contributed to Pennsylvania's lowest uninsured rate ever, which is down from 10.2 percent in 2010 to 6.4 percent.

"We need to focus on building on the progress we've made instead of undoing the system," said Commissioner Miller.



Commissioner Miller discusses the impact of a potential Affordable Care Act repeal at the February 22 event with the Department of Health and the Department of Human Services.

### Commissioner Miller Discusses ACA Repeal Impact with Media

It is important for the people of Pennsylvania to have an understanding of what a repeal of the Affordable Care Act (ACA) will mean for those getting health coverage because of this law, and for communities in general.

Commissioner Miller continues to discuss this issue with media around Pennsylvania. During the past month she appeared on the Pennsylvania Cable Network (PCN) as a guest on the network's nightly, live call-in show. The commissioner discussed her thoughts on how the repeal of the ACA would impact the 1.1 million Pennsylvanians who have coverage through either Governor Wolf's expanded Medicaid program, or through individual health care plans bought through the federal exchange at [Healthcare.gov](http://Healthcare.gov).

On the program, Commissioner Miller stressed the parts of the law that she felt should be kept in any new statute. These include the ban on excluding people with pre-existing conditions from coverage, the ban on annual and lifetime limits for covered benefits, keeping coverage for preventive care, and allowing young people through age

26 to remain on their parents' plan.

More than a dozen Pennsylvanians called in during the show to discuss and ask questions related to this important topic. PCN producers said other callers were not able to get on the air due to the time constraints of the one hour show.

Commissioner Miller has also been highlighting the potential impact of an ACA repeal on the opioid crisis currently facing Pennsylvania. Meeting with the Lancaster Newspapers editorial board, the commissioner noted that more than 17,000 Lancaster County residents had coverage in 2016 through exchange plans, and more than 21,000 are covered through Governor Wolf's expanded Medicaid program. She also stressed more than 175,000 Pennsylvanians have access to substance use disorder treatment because of the ACA, a key component in Governor Wolf's battle against opioid and heroin addiction, which claimed the lives of 3,500 Pennsylvanians in 2015. Maintaining and expanding access to treatment is key to helping Pennsylvanians impacted by addiction.



Commissioner Miller discusses the future of the Affordable Act with Larry Kaspar on the February 1 edition of PCN's nightly Call-in Program.

### All Payer Claims Database Funding Included in Gov. Wolf's 2017-2018 Budget Proposal

The Wolf Administration is working to bring greater openness to rising health care costs by proposing the creation of an All Payer Claims Database (APCD). The governor included \$2 million in his budget for this.

An APCD would collect information on medical claims and associated costs from both public and private insurance. This information would allow employers, insurers, and consumers to see how costs for health care procedures and services at different facilities and providers vary.

Four key goals for an APCD are: containing costs; linking cost with quality; informing consumers' decisions as they take on greater financial responsibility for their healthcare; and reducing unknown and unwarranted price variation.

The Pennsylvania Health Care Cost Containment Council would run the APCD.

Commissioner Miller supports an APCD to help identify and address excessive costs, measure whether current efforts to control spending result in net savings, allow insurers and employers to identify providers of high-value care, as well as identify additional opportunities for cost containment and measure their success.

## Commissioner Miller Testifies on Drug Price Transparency

Commissioner Miller, as part of Governor Wolf's twin goals of increased transparency and helping to control health care costs, testified in support of a proposal to bring greater transparency to the cost of prescription drugs at a House Insurance Committee hearing on February 8.

The commissioner testified in favor of the concept contained in House Bill 161, sponsored by House Insurance Committee Democratic Chairman Tony DeLuca. This bill would require drug manufacturers to disclose to the Insurance Department the cost of production for drugs with average wholesale prices greater than \$5,000 annually or throughout the course of treatment. The bill would also require disclosure of production costs for drugs whose wholesale price has increased 50 percent or more over the past five years, or 25 percent or more over

the past twelve months.

In her testimony, Commissioner Miller noted rising prescription drug prices are a major reason premiums in the individual health insurance market rose significantly last year. In the individual market pharmaceutical drugs rose from 13.6 percent of per enrollee health care claims in 2014, to 21.4 percent in 2015, a 57 percent increase. Per enrollee pharmaceutical costs for small employer plans rose 33 percent over the same period.

Commissioner Miller told the committee she believes strongly that transparency is the first step to improving many aspects of our health care system and that understanding the cost drivers behind health insurance premium increases, like rising prescription drug costs, is the first step to making health insurance more affordable.

## Flood Webpage Anniversary

Helping homeowners access more options regarding residential flood insurance is the goal of a one-stop shop flood insurance webpage Commissioner Miller announced on February 2, 2016. With changes to the federal law governing flood insurance sold through the National Flood Insurance Program, more private insurers now are selling flood coverage.

Commissioner Miller announced that in the year since establishing the one-stop shop flood webpage, the number of private residential flood policies more than doubled, from 1,518 to 3,392. Forty-one producers selling surplus lines flood policies are on the webpage, as are 17 Pennsylvania licensed insurers.

In response to potential changes to flood insurance regulations, Commissioner Miller recently wrote a letter to federal officials asking them to specifically include residential surplus lines coverage as acceptable coverage. She notes nearly three-fourths of the private residential flood policies in Pennsylvania are now written by surplus lines insurers.

## Recent Press Releases

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

January 20, 2017 - Insurance Commissioner Presents "Insurance 101" to Students As Part of Wolf Administration Initiative

January 18, 2017 - Insurance Commissioner Promises to Fight for Consumers, Urges Congress to Keep Parts of ACA

January 13, 2017 - Insurance Commissioner Reminds Consumers of 2017 Health Insurance Open Enrollment Period

January 12, 2017 - Governor Wolf, Treasurer Reese Consolidate Investments to Cut Millions in Wall Street Fees

January 10, 2017 - Insurance Commissioner Urges Federal Government to Adopt Regulation to Accept Private Flood Insurance