



PA INSURANCE INSIGHTS

The Pennsylvania Insurance Department Newsletter

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A message from the Insurance Commissioner...

Despite continued debate in Washington over the future of the Affordable Care Act (ACA), individual market health care consumers in Pennsylvania are seeing proposed rates that are rising basically in line with medical cost trends. The individual county by county rates released this month bolster what our insurers have told me, which is the market is stabilizing in Pennsylvania. We are accepting public comment on these rate proposals now, in keeping with Governor Wolf's commitment to transparency. Impact on consumers and ensuring consumers have options will be our top priority as final rates are approved in the fall.

However, I am still concerned about how rates will be impacted if the Trump Administration does not commit now to pay cost-sharing reductions for 2018. I vocalized that concern in a letter to Health and Human Services Secretary Tom Price, and made clear that the Trump Administration will be responsible for any additional rate increases due to uncertainty.

Instead of undermining the markets and the law's progress, legislators and regulators should focus on stabilizing and



strengthening the Affordable Care Act. I was thankful to testify on ways we can accomplish this before U.S. House Democrats at the end of July.

Department Chief of Staff Jessica Altman discussed the health care reform landscape as keynote speaker at a health care symposium in Dauphin County. This forum, sponsored by the Central Penn Business Journal, and attended by health care provider organizations, as well as insurers, highlights the impact of this issue on the state's economy.

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A message from the Insurance Commissioner...

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At the same time, the potential impact of repealing the benefits to Pennsylvania consumers of the ACA is something we continued to discuss at events across the state. This included a stop at Children's Hospital of Philadelphia, which treats many patients who are covered by both Governor Wolf's expanded Medicaid program, and the ACA's individual market. Also, people with employer sponsored coverage are benefiting from

the ACA's ban on annual and lifetime limits on coverage, which help patients with very serious or chronic conditions.

Legislation that would protect health care consumers from surprise balance bills has been introduced. With support from the Republican and Democratic chairs of both the House Health and Insurance committees, this bipartisan bill would require providers and insurers to settle billing disputes for out-of-network services when the

consumer has made a good faith effort to use in-network providers, with the consumer being responsible for only what costs he or she would owe for in-network services. Similar legislation has also been introduced in the Senate.

Teresa Miller
Insurance Commissioner

Wolf Administration Discusses Impact of ACA Repeal at Children's Hospital of Philadelphia

Over the past few months, highlighting the impact repealing or changing the Affordable Care Act could have on Pennsylvania consumers has been a priority for the Wolf Administration. Commissioner Miller continued this effort alongside Department of Human Services Deputy Secretary Leesa Allen and Madeline Bell, president and chief executive officer for the Children's Hospital of Philadelphia (CHOP).

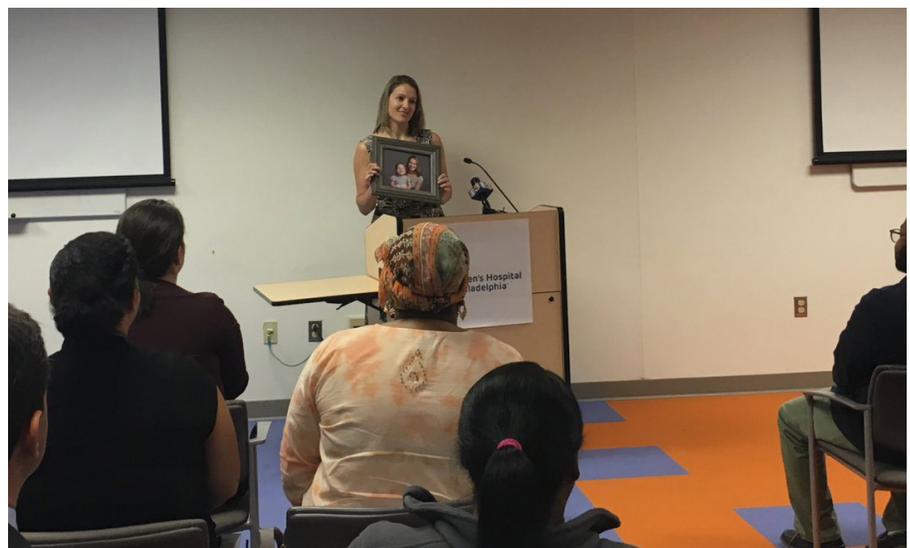
Speaking at CHOP's Karabots Center on July 24, Commissioner Miller spoke of how Pennsylvania consumers have expressed serious concerns over conversations happening at the federal level. Proposals that have since stalled came with the potential for up to 32 million more people uninsured over the next ten years as compared to current law.

They were also joined by Amy Concilio, a mother from Philadelphia whose two year-old, Claire, was born with spinal muscular atrophy. Due to Medicaid expanding her

access to experimental treatments, Claire is now able to crawl, but Amy noted that if cuts come to Medicaid that restrict these options, her daughter would lose her chance at a normal life.

Commissioner Miller stressed that these concerns should be kept at the forefront of any future conversations on health care reform.

"Access to quality and affordable health care should not be a privilege. It's time to remember the people – the parents, grandparents, and children – behind the statistics and focus on actually helping them rather than waging a political battle," she said. "Too many people benefit from this law every day to rescind the progress that has been made."



Amy Concilio holds a picture of her daughter, Claire, at a press event at CHOP's Karabots Center on July 24. Claire, who has spinal muscular atrophy, is able to access treatment that has improved her mobility due to Medicaid.

Commissioner Testifies Before U.S. House Dems on ACA

Although much of the attention surrounding the Affordable Care Act has focused on the failed plans to repeal or change the Affordable Care Act, there has been an increasingly bipartisan movement to repair and strengthen the law as it currently stands.

On July 25, Commissioner Miller testified at a hearing organized by the United States House Democratic Steering and Policy Committee on ways to improve the law and address the affordability issue that still exists in the individual market.

“I believe we need to build upon the foundation of the health care system we have and make targeted, common sense changes that will improve the ACA and make it work better for the people it is not working perfectly for today,” said Commissioner Miller.

She stressed that a long-term commitment to insurers on payments for cost-sharing reductions would be an important first step to address stability issues in the market. Currently, President Trump refuses to make anything

longer than a month-to-month commitment on these payments and threatened to stop them altogether after the U.S. Senate failed to pass an ACA repeal plan. Pennsylvania’s insurers noted with their initial rate filings that without certainty that these payments will be made, they would need to request a statewide average increase of at least 20.3 percent rather than the 8.8 percent average they requested.

Commissioner Miller also highlighted stricter enforcement of the individual mandate, funding a reinsurance program, and moderating the growth of health care costs long-term as methods to mitigate premium increases moving forward. However, both parties and the Trump Administration need to work together and commit to strengthening rather than undermining the law.

A full video of the hearing and Commissioner Miller’s testimony can be found here.

Commissioner Miller’s full written testimony is available on the department’s website here.

Letter to HHS Secretary Price

In April, Commissioner Miller and executives from Pennsylvania’s five individual market health insurers wrote to federal Health and Human Services Secretary Tom Price expressing a serious need for certainty on the future of cost-sharing reduction payments. To date, that certainty has yet to come, and Commissioner Miller wrote to Secretary Price again at the end of July warning that the Trump Administration will be responsible if consumers face premium increases due to instability.

She noted that when insurers filed their 2018 rates, they included approximations for what they would need to request if cost-sharing reductions are not paid and the individual mandate is not enforced. This could result in rate increases four times larger than the statewide average 8.8 percent request. If insurers cannot raise rates to account for the uncertainty, insurers could choose to exit the market.

Commissioner Miller noted that this increase could be avoided if the Trump Administration will commit to making payments for cost-sharing reductions for the remainder of 2017 and for all of 2018.

“It is imperative that we do not squander this opportunity, and I truly hope the Trump Administration understands the power it holds in this situation. We all say we want to protect the consumers we serve from rising costs, and this is the administration’s opportunity to make good on that promise,” said Commissioner Miller. “If this does not happen, Pennsylvania consumers will know who failed to protect them. Do not let Pennsylvanians bear the cost of your indecision.”

Read the full text of the letter here.



Commissioner Miller testifies alongside Gary Cohen (L) of Blue Cross Blue Shield of California and Douglas Elmendorf, dean of the Kennedy School of Government at Harvard University and former director of the Congressional Budget Office.

Commissioner Miller, PEMA Director Discuss Grilling Safety

Summer means more time spent enjoying outdoor activities, including grilling. But this time of year also sees the greatest number of grilling-related fires and injuries from outdoor cooking.

Earlier this summer, Commissioner Miller and Pennsylvania Emergency Management Director Richard Flinn urged homeowners to take prudent precautions when preparing and using their grills to lessen the chance of a fire. These safety tips are still important for end-of-summer festivities and as tailgates begin for football season. They include:

- Check propane gas grills for any gas leaks, using a soapy water solution applied to the gas line, before using the grill for the first time during a season. The soapy water will bubble if gas is escaping;
- Always have the top of the grill open when lighting;
- Clean grill well after each use;
- Only use charcoal lighter fluid for charcoal grills, and never add fluid to a fire.

Commissioner Miller noted that nearly 9,000 home fires caused by outdoor cooking occur each year in the United States, and more than 16,000 people are treated in emergency rooms for injuries from these fires. These injuries include more than 1,600 children age five and under who suffer burns from touching the hot grill's surface, stressing the need to keep children, as well as pets, well away from grills while they are in use.

In addition to the chance of serious injury, Commissioner Miller said \$118 million in property damage is caused annually in the United States by grilling-related fires. These homeowners' insurance claims can cause higher insurance rates in future years.

The commissioner also recommended tenants check with their landlords to make sure grilling or other outdoor cooking is permitted in the apartment building or complex.

For more information on grilling safety and homeowners insurance, visit the Insurance Department's website [here](#).



Commissioner Miller joins Sparky the Fire Dog at a press conference on grilling safety tips outside the Capitol Building on May 26, 2017.

PID Approves Highmark 2013 Order Changes

On July 28, Commissioner Miller announced that she approved substantial elements of Highmark's request to reduce Insurance Department notification and approval requirements on transfers made between Highmark and Allegheny Health Network (AHN). Highmark previously needed approval for fund transfers exceeding \$250M and to give notice for transfers exceeding \$100M. These requirements were established in a 2013 Order from the department authorizing the affiliation of Highmark and the then-West Penn Allegheny Health System.

Highmark requested the modification of Order conditions in March, saying the change was necessary in order for Highmark to implement its strategic plan through 2020.

In evaluating the request, Commissioner Miller requested a report on the western Pennsylvania health care landscape and the progress Highmark has made since investing in AHN. The report found that the investments have resulted in improvements made in facilities and services and also in addressing geographic coverage gaps in the region, improving overall competition in the region.

"Viable competition among both insurers and health care providers and facilities is key for consumers to have the choices needed to best meet their health care needs, and do so at the best price. Approving this change to allow Highmark Inc. and AHN to invest strategically in improving the health care options for Pennsylvania citizens will help achieve these goals," Commissioner Miller said.

For more background on the Highmark-AHN affiliation and on the 2013 Order changes, [click here](#).

Balance Billing Protection Legislation Introduced in State House and Senate

Commissioner Miller joined the chairs of the House Health and Insurance Committees in announcing the introduction of legislation that would achieve the Wolf Administration's goal of protecting health care consumers from surprise balance bills.

Commissioner Miller first brought the issue of balance billing to the forefront with a public hearing in October 2015. The hearing featured consumers who were hit with balance bills in the hundreds or even thousands of dollars despite their best efforts to use providers and facilities in their health insurer's network. Providers, hospitals, and insurers also testified, offering varied perspectives on the difficulty of agreeing on payments for out-of-network services.

The legislation would protect consumers who make a good faith effort to use in-network providers and facilities, but during treatment receive an out-of-network service, from being responsible for any payment beyond what they would owe for the same service provided in-network.

Insurers and providers or facilities would then be required to work out any added payments. If the two sides cannot reach agreement, each would submit its last best offer to an arbitrator. The arbitrator would choose one of the offers, and the decision would be binding on both parties.

Commissioner Miller thanked Representative Tina Pickett (R-Bradford), majority chair of the House Insurance Committee,

and Representative Matt Baker (R-Bradford), majority chair of the House Health Committee, as well as the Democratic chairs of both committees, Representative Tony DeLuca (D-Allegheny) of the Insurance Committee and Representative Florindo Fabrizio (D-Erie) of the Health Committee, for their leadership and support in introducing the legislation, which would benefit consumers around the commonwealth.

She also noted similar legislation has been introduced in the Senate by Senator Judy Schwank (D-Berks County), along with Senator Don White (R-Indiana County), Majority Chair of the Senate Banking and Insurance Committee, and Senator Jay Costa-D-Allegheny County, the Senate Minority Leader.

Recent Press Releases

- August 3, 2017 - Insurance Department Releases Brochure Outlining Coverage Options for Substance Use Disorder Treatment
- July 31, 2017 - Insurance Commissioner in Letter to Federal HHS Secretary Price: Costs Will Increase if Stability Not Achieved
- July 28, 2017 - Commissioner Reduces Required Notification and Approval of Fund Transfers and Investments by Highmark
- July 25, 2017 - Insurance Commissioner Testifies Before U.S. House Dems on Immediate Need for Stability to Strengthen ACA
- July 24, 2017 - Wolf Administration Visits CHOP to Discuss Implications of Affordable Care Act Repeal
- July 21, 2017 - Complete 2018 Rate Filings Made Public, Insurance Commissioner Stresses Immediate Need for Certainty
- July 18, 2017 - Insurance Department Chief of Staff Delivers Keynote Address at Health Care Symposium
- July 13, 2017 - Insurance Commissioner Thanks Congressman Shuster for Moving Pro-Consumer Air Ambulance Amendment
- July 11, 2017 - Insurance Commissioner Encourages Consumers to Discuss Possible Auto Insurance Discounts with a Professional
- July 3, 2017 - Insurance Commissioner Issues Statement on Sen. Toomey's Support for Repealing ACA Without Replacement
- June 30, 2017 - Wolf Administration Stresses Fireworks Safety Ahead of Independence Day Weekend
- June 29, 2017 - Insurance Commissioner Releases Recommendations to Stabilize Individual Health Insurance Market
- June 20, 2017 - Insurance Commissioner Applauds Introduction of Legislation to Protect Consumers from Surprise Balance Bills