

The Changing Healthcare Landscape

Mother and Child Health Coalition
October 27, 2017



**National Association of
Insurance Commissioners**

What is the NAIC?

- U.S. Standard-setting and Regulatory Support Organization
- 50 States, District of Columbia, and the 5 U.S. Territories
- 3 Offices:
 - District of Columbia
 - Kansas City
 - New York

“The best argument for state regulation is the insurance industry, particularly life and property/casualty, which largely weathered the financial crisis with few losses for customers or threats to the financial system.”

USA Today

Mission Statement

The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members:

- ▶ *Protect the public interest;*
- ▶ *Promote competitive markets;*
- ▶ *Facilitate the fair and equitable treatment of insurance consumers;*
- ▶ *Promote the reliability, solvency and financial solidity of insurance institutions; and*
- ▶ *Support and improve state regulation of insurance.*

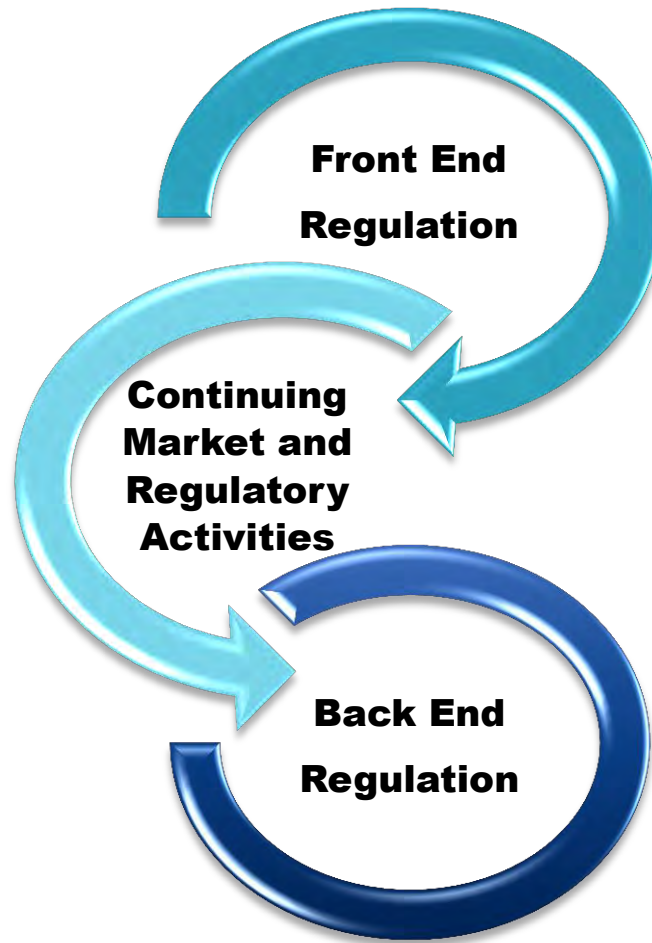
Purpose of Insurance Regulation

The fundamental reason for government regulation of insurance is for the protection of American consumers.

Insurance Regulation

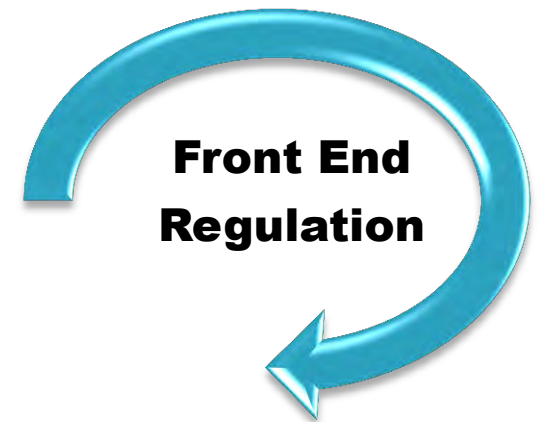
- ▶ **Company and Producer Licensing**
- ▶ **Product Regulation**
- ▶ **Market Conduct Regulation**
- ▶ **Financial Regulation**
- ▶ **Consumer Services**

Insurance Regulation



Front -End Regulation

- ▶ Licensure of insurance companies
 - Capital and surplus requirements
- ▶ Review policy forms, rates, rules, marketing materials, network adequacy
- ▶ License producers
 - Education requirements



Continuing Market Activities

- ▶ Companies and producers sell products
- ▶ Consumer outreach and education Re-licensure of companies and producers
- ▶ Review updated or new policy forms, rates, rules, marketing materials

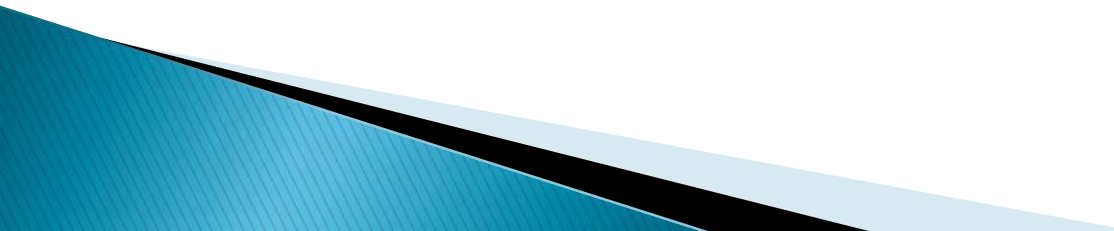


Back end regulatory processes

- ▶ Investigation of consumer complaints
 - Companies and producers
- ▶ Examinations (Audits)
 - Financial
 - Market Conduct
- ▶ Enforcement actions
 - Fines, consumer restitution
 - Licensure discipline



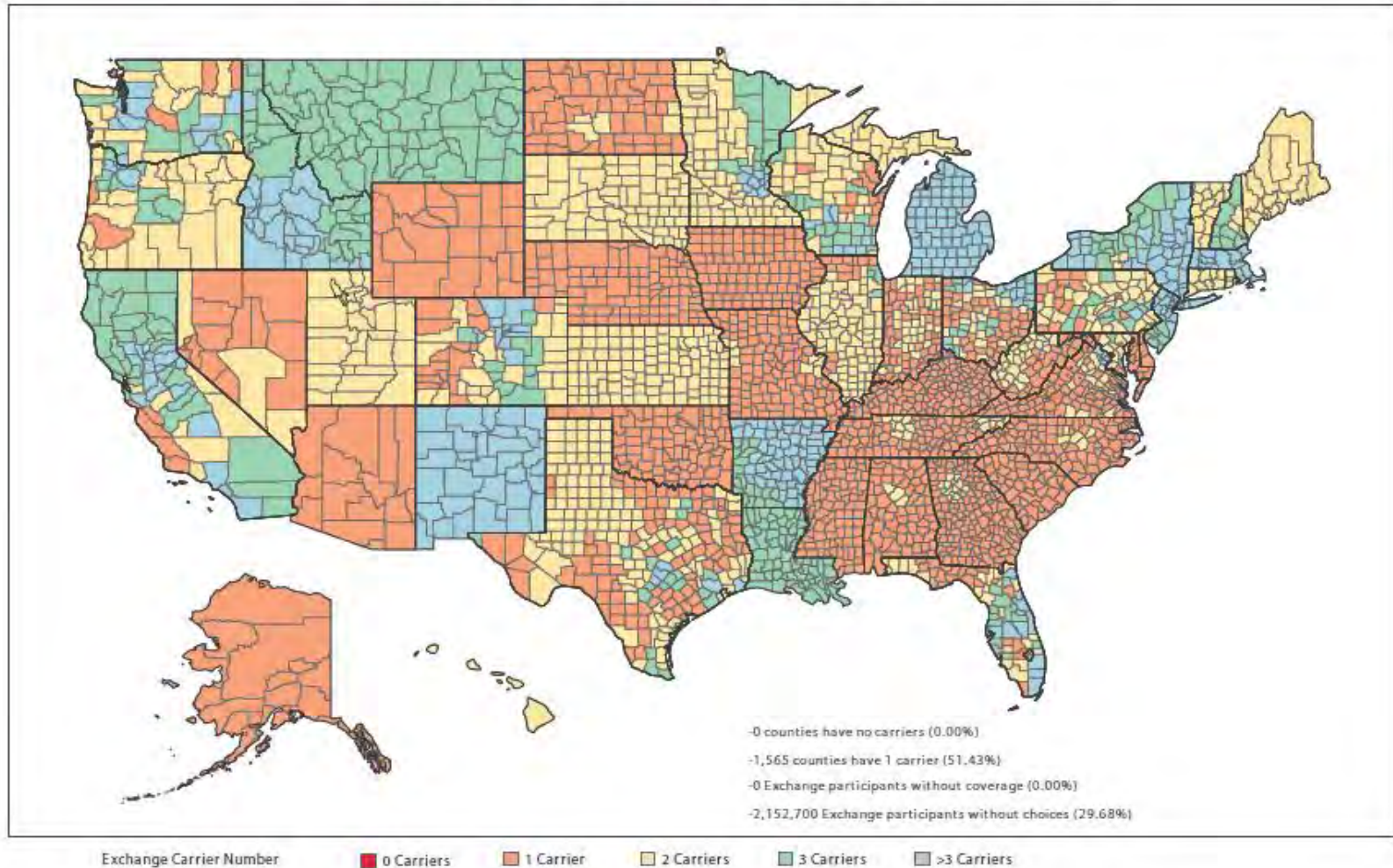
Sources of Coverage

- ▶ Fully Insured Health Plans – State Regulation
 - ▶ Self-Insured Plans – ERISA (U.S. Department of Labor)
 - ▶ Government Programs – Medicare, Medicaid, Tricare
 - ▶ ***State Insurance Departments regulate FULLY INSURED health plans***
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Issues and Trends Nationally

- ▶ The individual market continues to face uncertainty and volatility nationwide.
 - Carriers have pulled out in many counties around the country, leaving many consumers with fewer choices
 - Premiums are rising, cost-sharing is rising, and networks are getting more narrow.
 - Uncertainty about Cost-Sharing Reduction Payments has added a 15–20% load to rates

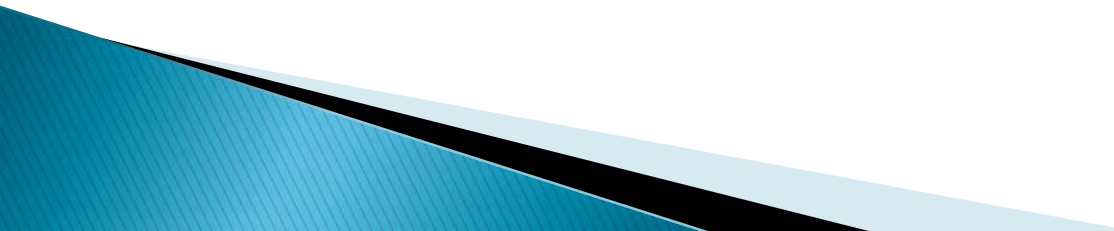
County by County Analysis of Plan Year 2018 Insurer Participation in Health Insurance Exchanges



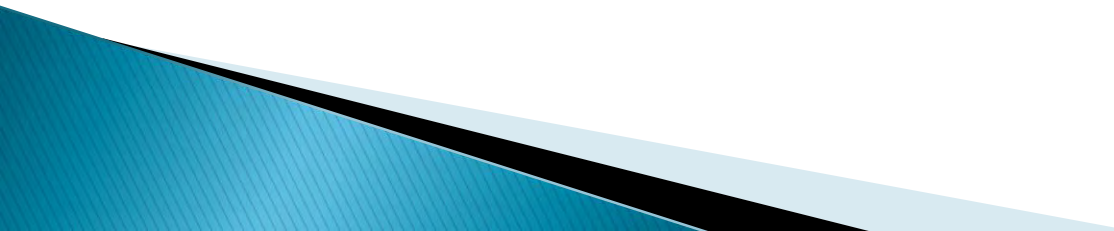
-All State Exchange data is self-reported from the Exchanges to CMS (CA, CO, CT, DC, ID, MA, MD, MN, NY, RI, VT, WA).
-Federally-facilitated Exchange data reflected on this map is point in time as of 10/20/2017.
-Enrollment numbers reflected are plan selections as of August 30, 2017, and do not include enrollment for State-Based Exchanges.

Source: Centers for Medicare and Medicaid Services, "County by County Analysis of Plan Year 2018 Insurer Participation in Health Insurance Exchanges", <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/2017-10-20-Issuer-County-Map.pdf>, October 20, 2017.

Current Events

- ▶ Last week's Executive Order – Association Health Plans, Short Term Policies, and Health Reimbursement Arrangements
 - ▶ Ending payments to Insurers for Cost Sharing Reductions
 - ▶ Two bills being discussed in the U.S.Senate
 - Alexander–Murray
 - Brady and Hatch
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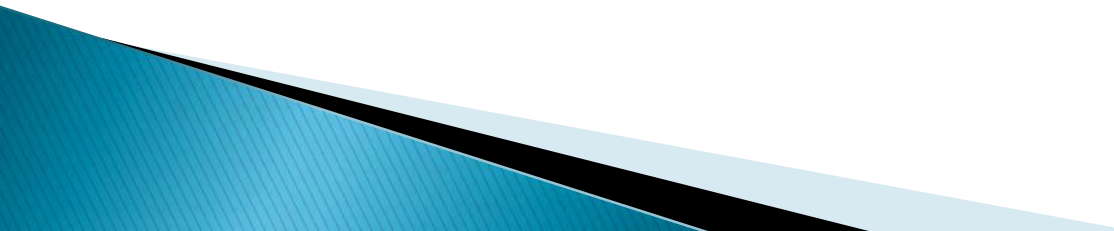
What's Next?

- ▶ All counties will have at least one carrier offering Exchange coverage
 - ▶ Lack of CSR payments factored into rates
 - ▶ Open Enrollment: November 1 – December 15
 - ▶ “Window shopping” is available now at healthcare.gov
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Kansas

- ▶ Kansas Department of Insurance is state regulator.
- ▶ Kansas will have two plans on the individual exchange in each of its counties in 2018
- ▶ Approximately 4% of Kansas residents get their coverage in the individual market (on or off exchange)
- ▶ Overview of 2018 Market in Kansas:
<http://www.ksinsurance.org/documents/healthlife/health/KID-Issue-Brief.pdf> .

Missouri

- ▶ Regulator: Missouri Department of Insurance, Financial Institutions and Professional Registration.
 - ▶ Health Insurance Rate Review – first year
 - ▶ Counties in the Kansas City and St. Louis metro areas will have two plans on the exchange; the rest of the state will have one.
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Breaking News – Missouri

- ▶ Thursday (10/26/17) – House Speaker Todd Richardson announced the Interim Committee on Stabilizing Missouri’s Health Insurance Markets.
 - Chair: Justin Hill, St. Louis
 - Recommendations to the General Assembly by the end of the year.



What's Next?