



# Presentation to Health Insurance Reform Commission

State Corporation Commission  
Bureau of Insurance  
September 10, 2014

# Presentation Overview

- Process for reviewing and approving plans to be offered on FFM and FF-SHOP
- Types of plans offered in 2014 and 2015
- Changes in health insurance
- Virginia Complaint Information
- Navigators (2014 HB 2043)

# Virginia Legislation

Enacted March 21, 2013

## **§ 38.2-326. Plan management functions.**

*The Commission, with the assistance of the Virginia Department of Health, shall perform plan management functions required to certify health benefit plans and stand-alone dental plans for participation in the federal health benefit exchange established by the Secretary of the U.S. Department of Health and Human Services pursuant to § 1321 of the Patient Protection and Affordable Care Act codified as 42 U.S.C. §18041(c) in the Commonwealth, provided that :*

- *full funding is available;*
- *the technology infrastructure, including integration with federal, state, and other necessary entities, is made available to the Commission by or through the U.S. Department of Health and Human Services or the Virginia Secretary of Health and Human Resources in order for it to carry out the plan management functions authorized in this section;*
- *there are no other impediments that effectively prevent the Commission from performing any required plan management functions; and*
- *the performance of such plan management functions is not deemed to establish a health benefit exchange pursuant to § 1311 of the Patient Protection and Affordable Care Act codified as 42 U.S.C. § 18031.*

# Plan Management Review, Monitoring and Oversight Duties

Bureau of Insurance	Department of Health
Licensed and in Good Standing	Accreditation Requirements and Timeline
Plans and Benefits (variations for cost-sharing reductions)	Network Adequacy
Essential Health Benefits	Essential Community Providers
Actuarial Value Standards	Service Area
Rates (new and increases)	
Program Attestations	
Meaningful Difference	
Marketing	

# QHP/SADP Review/Approval Process

- Carrier submissions through SERFF (binders include templates, and form/rate filings)
- CMS validates templates and provides electronic tools to assist in review
- BOI and VDH correspond with carriers through SERFF
- Recommendations and Data Transfer of QHPs and SADPs to CMS through SERFF

# BOI Timeline Excerpts – Subject to Change

- **September 5-10** – Final recommendations for all submissions from carriers participating on FFM and all exchange-certified SADPs
- **November 3** – Final date for carriers who want to participate on FFM and FF-SHOP to sign agreement with CMS
- **November 15** – Open Enrollment begins

# 2015 QHP Applications Received

Company	Product Type	Individual	SHOP
Aetna Life Insurance Company	PPO	✓	
CareFirst BlueChoice, Inc.	HMO	✓	✓
Coventry Health Care of Virginia, Inc.	HMO	✓	
Group Hospitalization and Medical Services, Inc.	PPO	✓	✓
HealthKeepers, Inc.	HMO	✓	✓
Innovation Health Insurance Company	PPO	✓	
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	HMO	✓	✓
Optima Health Plan	HMO	✓	✓
Piedmont Community HealthCare, Inc.	PPO	✓	✓
<b>Totals</b>		<b>9</b>	<b>6</b>

**PPO** – Offered by an insurance company. The individual chooses whether to receive covered services in-network or out-of-network.

**HMO** – Company licensed as an HMO. Generally, members must choose a PCP who manages care.

# Types of Plans Intended to be Offered in Virginia

- Inside Federal Marketplace or Exchange
  - 96 Individual Plans (4 PPOs/5 HMOs)
  - 89 Small Group Plans (2 PPOs/4 HMOs)
- Outside Marketplace or Exchange (currently)
  - Individual Carriers (6 PPOs/5 HMOs)
  - Small Group Carriers (12 PPOs/9 HMOs)
- All counties/cities have at least 2 carriers in FFM and FF-SHOP\*
  - \*Source – Virginia Department of Health

# Levels of Coverage

Metal Level (AV Level)	Bronze	Silver*	Gold*	Platinum
Premium Cost	Lowest	Moderate	Higher	Highest
Expected Insurer Cost	60%	70%	80%	90%
Expected Consumer Cost	40%	30%	20%	10%

Catastrophic plans available for people under age 30 or hardship exemption

# New for Most Plans Effective in 2014

- Insurers must issue coverage to anyone who applies
  - Insurers may require the person to enroll during the initial open enrollment period set by the Health Insurance Marketplace or upon a special enrollment period
- Insurers must continue in force any plan purchased in 2014
- Pre-existing condition exclusions/denials prohibited
- Plans available on and off the Marketplace – must be same premium
- Underwriting in individual and small group markets only by:
  - Age (3:1)
  - Tobacco Use (Up to 1.5:1)
  - Family Size
  - Geography (12 rating areas within Virginia)

# Essential Health Benefits (EHBs)

- All new individual and small employer plans must cover EHBs, which must include at least these 10 categories:
  - Ambulatory Patient Services
  - Emergency Services
  - Hospitalization
  - Maternity and Newborn Care
  - Mental Health and Substance Use Service
  - Prescription Drugs
  - Rehabilitative and Habilitative Services & Devices
  - Laboratory Services
  - Preventive & Wellness Services & Chronic Disease Management
  - Pediatric Services (Oral\* & Vision Care)
- No annual or lifetime dollar limits
- All EHB cost share must contribute to a Annual Out-of-Pocket Maximum of no more than \$6,350/ \$12,700 for 2014 and \$6,600/\$13,200 for 2015

# Selected Required Coverages Based on Benchmark

- Mental Health/Substance Use
  - no stated limit
- Habilitative/Rehabilitative Services
  - 30 visits per calendar year combined for occupational/physical therapy;
  - 30 visits combined for speech therapy
- Chiropractic care/spinal manipulations
  - 30 visits per calendar year

# Effect of Essential Health Benefits on Virginia's Mandated Offers

- Section 38.2-3414 Obstetrical services mandated offer (groups)
  - Included in benchmark
- Section 38.2-3418.15 Prosthetics mandated offer
  - Included in benchmark
- Section 38.2-3418.3 Coverage for treatment of morbid obesity
  - Not included in benchmark
  - No longer required to be offered to individuals or small groups

# Health Insurance Complaints and Inquiries

Complaint Type	Sept. 1, 2012 – Aug. 31, 2013	Sept. 1, 2013 – Aug. 31, 2014
Claim Handling	696	702
Marketing/ Sales	27	32
Policyholder Service	367	559
Underwriting	89	52
<u>Total</u>	<b>1,179</b>	<b>1,345</b>

# Navigator Registration

## Title 38.2, Chapter 35, Article 7

- New laws effective July 1, 2014:
  - Require Navigators to register with the SCC
    - Fee
    - Criminal history record report
    - Must notify SCC of any decertification, administrative actions or convictions
  - Allow the SCC to investigate Navigator activities in Virginia and impose penalties, or place on probation, suspend, or revoke registration
  - Allow the SCC to adopt regulations establishing additional standards and qualifications

# Virginia Navigator Information

- 70-80 Navigators Certified by HHS
  - 8 Navigators have completed Registration with SCC
- Investigation of Navigator activities:
  - 1 in 2014 – not a Virginia Code violation