

HCS HB 701 -- THE HEALTH INSURANCE MARKETPLACE INNOVATION ACT

SPONSOR: Molendorp

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Health Insurance by a vote of 7 to 5.

This substitute creates the Health Insurance Marketplace Innovation Act. In its main provisions the substitute:

(1) Changes the requirements that a statement or summary of an evidence of coverage must contain to include any limitations on the services, kinds of services, benefits or kinds of benefits to be provided, including coinsurance or other cost sharing feature as requested by the group contract holder or, in the case of non-group coverage, the individual certified holder;

(2) Allows a health carrier to offer a health benefit plan that is a managed care plan that requires all health care services to be delivered by a participating provider in the health carrier's network, except for emergency services and certain chemical dependency treatments, and requires this provision to be disclosed in the policy form;

(3) Authorizes the director to make rules and regulations concerning the filing and submission of policies, including the disapproval of policies. If a policy form is disapproved, all specific reasons for noncompliance must be stated in writing within 45 days of the date of filing, and the director must approve or disapprove a submitted policy within 45 days of the date of filing or the policy will be considered approved. However if the director deems any provision of the policy is contrary to state law, the director must notify the carrier of the provision and request the carrier file an amendment to modify the provision. The amended policy cannot be retroactively enforced;

(4) Allows a health carrier to offer as an option multiple health benefit plans that contain deductibles, coinsurance, coinsurance differentials, or variable copayments. Health benefit plans that contain deductibles can be combined with any Health Savings Account (HSA) as described in the federal Medicare Reform Act;

(5) Requires that no combination of deductibles and copayments paid for the receipt of basic health care services may be allowed to exceed the annual maximum out-of-pocket expenses of a high deductible health plan as defined in 26 U.S.C. 223. Deductibles and copayments applicable to supplemental health care services, catastrophic-only plans as defined under the federal Affordable Care Act, or pre-existing conditions are not subject to the annual

limitations;

(6) Allows a health carrier to electronically contact enrollees and providers acting on behalf of enrollees in the case of a determination or adverse determination to certify an admission, procedure, service, extended stay, or additional services;

(7) Defines a "navigator" as a person selected to perform the activities and duties identified in 42 United States Code 18031(i) in this state, any person who receives grant funds from the United States Department of Health and Human Services to perform any of the activities and duties identified in 42 U.S.C. 18031(i), and any person performing any defined or related duties whether or not the person is identified as a navigator, certified application counselor, in-person assister, or other title;

(8) Requires an individual to be licensed as a navigator by the Department of Insurance, Financial Institutions and Professional Registration before he or she may perform, offer to perform, or advertise any service as a navigator or receive navigator funds from the state or an exchange;

(9) Prohibits a navigator from engaging in activities that would require an insurance producer license; providing advice concerning benefits, terms, and features of a health plan or offering concerning which plans are better or worse for an individual or employer; recommending or endorsing a particular health plan or advising consumers on their choice of plan; or providing any information or services related to health benefit plans or other products not offered in the exchange;

(10) Specifies that only a licensed insurance producer may sell, solicit or negotiate health insurance; provide advice concerning benefits, terms and features of a particular plan or offer advice concerning which plan is better or worse for an individual or employer; or recommend a particular plan or advise consumers on their choice of plan;

(11) Requires an individual applying for a navigator license to apply on a form developed by the department director and declare under penalty of refusal, suspension, or revocation of license that the statements in the application are true, correct, and complete to the best of his or her knowledge and belief;

(12) Requires the director to determine that an individual is 18 years old, resides in Missouri or maintains his or her principal place of business in Missouri, is not disqualified from obtaining a license, has successfully passed the written examination, possesses character and integrity, has identified his or her affiliated

entity, has paid the required fees, and if applicable, has received written consent from the director concerning crimes by or affecting persons engaged in the business of insurance whose activities affect interstate commerce;

(13) Requires that any entity that acts as a navigator, supervises navigators, or receives funding to do either activity must obtain a navigator entity license;

(14) Allows the director to require any documents to verify the information contained in an application by an entity or individual;

(15) Requires entities licensed as navigators to provide the director with a list of all navigators employed by the entity and requires the entity to report any changes in employment or affiliation within 20 days of the change;

(16) Requires every navigator to obtain a surety bond or demonstrate a level of financial responsibility capable of protecting all persons against wrongful acts, misrepresentations, errors, omissions, or negligence by the navigator;

(17) Requires the director to provide initial training, continuing education and written examination standards and requirements for navigators prior to an exchange becoming operational;

(18) Requires a navigator license to be valid for two years. To renew the license, the navigator must comply with any continuing education and training requirements and provide proof of its completion. A navigator who fails to timely file his or her renewal will be charged a late fee;

(19) Requires a navigator to refer a person back to his or her insurance producer for information, assistance, and other services if he or she acknowledges having existing health insurance coverage through another insurance producer;

(20) Allows the director to suspend, revoke, place on probation, or refuse to issue, renew or reinstate a navigator license or to levy a fine of up to \$1,000 per violation for specified offenses and requires the director to provide written notice of the reason the license was denied or not renewed;

(21) Requires a navigator to report to the director within 30 days of the final disposition of any administrative action against him or her or within 30 days of the pretrial hearing in any criminal prosecution of him or her in any jurisdiction. An entity acting as a navigator must notify the director within 20 days of employment or affiliation termination with a navigator; and

(22) Applies Sections 379.930 to 379.952 and Chapters 375, 376, and 407, RSMo, regarding all insurance companies, insurance other than life, life, health and accident insurance, and merchandising practices to navigators and specifies that the activities and duties of a navigator will be deemed to be transacting the business of insurance.

PROPOSERS: Supporters say that the bill is simple, noncontroversial, and permits insurance companies to be a little more flexible in light of the changing insurance market as a result of the federal Affordable Care Act. Current Missouri law is more restrictive than the Affordable Care Act, and as a result, there are currently no insurance carriers in the state of Missouri that are prepared to offer products that comply with the Affordable Care Act. This legislation is based on the recent National Conference of Insurance Legislators model legislation.

Testifying for the bill were Representative Molendorp; United Healthcare Services, Inc.; Anthem Blue Cross Blue Shield of Missouri; Larry Case, Missouri Association of Insurance Agents; and Coventry Health Care of Kansas, Inc.

OPPONENTS: Opponents of the bill say that some of the problems with the insurance marketplace are a result of Proposition E from 2012. There will be a federal exchange in Missouri, and the federal government already has regulations concerning navigators in place. Navigators are already working successfully in the state, and more regulations would prevent current navigators from serving clients in Missouri.

Testifying against the bill were Andrea Routh, Missouri Health Advocacy Alliance; American Cancer Society; Missouri Hospital Association; St. Luke health System; and BJC Health Care Systems.