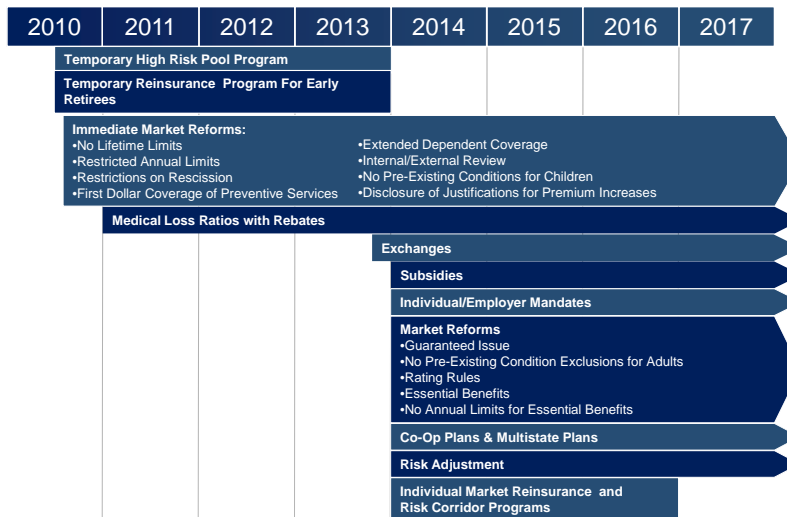


ACA IMPLEMENTATION UPDATE

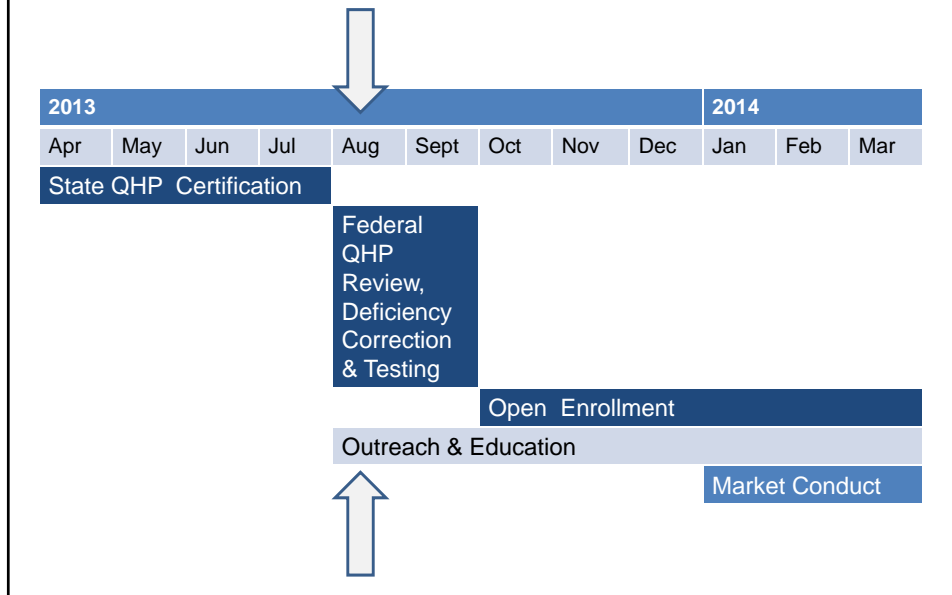
SANDY PRAEGER
KANSAS INSURANCE COMMISSIONER
AUGUST 11, 2013



IMPLEMENTATION TIMELINE



IMPLEMENTATION FOCUS



PLAN MANAGEMENT

States completed reviews of QHP submissions using SERFF or HIOS

- DoI reviewed plan forms, rates, and templates for compliance with state law and federal requirements
- DoI reported deficiencies in areas where it reviewed plans and verified plan changes to come into compliance.
- HHS uploaded plan data from SERFF into HIOS in Partnership Exchanges.

State Based Exchanges set their own timelines for submission and review of QHPs

- Rates submitted to HIOS by 7/31 if issuer participates in the Exchange
- Each state makes rates public according to its own open records requirements.

CONSUMER ASSISTANCE

Agents & Brokers

- State Based Exchanges can decide role of agents and brokers
- Federal guidance creates role of agents/brokers in FFE states
 - Training for agents and brokers began in early August.

Navigators

- State Based Exchanges select and oversee Navigators
- Feds select Navigators in FFE and Partnership states
 - States oversee Navigators in Consumer Assistance Partnership Exchange States
- Navigators subject to state producer licensing laws and certification and training requirements in all states

CONSUMER ASSISTANCE (CONT.)

State Assisters (Exchange grant funds available)

- State or Exchange employees who are trained to answer questions and assist consumers

Application Assisters (Counselors)

- Primarily in hospitals and clinics
- Volunteers with training and certification
- Conflict of interest concerns remain

ENFORCEMENT

States Remain Primary Enforcers

- If state lacks authority, it may enter into Collaborative Enforcement Agreement with HHS; or
- HHS will directly enforce ACA provisions in AL, MO, OK, TX and WY

NAIC is beginning process of updating Market Conduct Examination Handbook to incorporate ACA requirements.

CONSUMER COMPLAINTS AND OUTREACH

Complaints and consumer questions will be received by Exchanges and State Departments of Insurance

- Need to coordinate to ensure complaints go to right entities (DoI, Exchange, HHS, OPM)
- Need to ensure answers are correct
- Need to ensure that consumers are helped in a timely manner

Consumer outreach is critical to the health of the marketplace and Exchanges and Departments should work together

CHALLENGES

Time and Resources

- All non-grandfathered plans in the state must be replaced or amended
- Review of forms and rates will be concentrated between now and August, straining state resources

Adverse Selection and Rate Shock

- Abrupt transition to adjusted community rating will raise premiums on young and healthy
- Increasing use of self-insurance with low attachment point stop-loss coverage could destabilize small group market
- Particular concern in the Territories where there is no mandate and few subsidies.

CHALLENGES (CONT.)

Systems Development and Integration

- Will the Data Services Hub be ready in time?
 - Testing is underway

Coordination

- Dual regulation can add to administrative costs if Exchange and DOI requirements are not coordinated