
NCSL HEALTH INSURANCE FEDERAL UPDATE

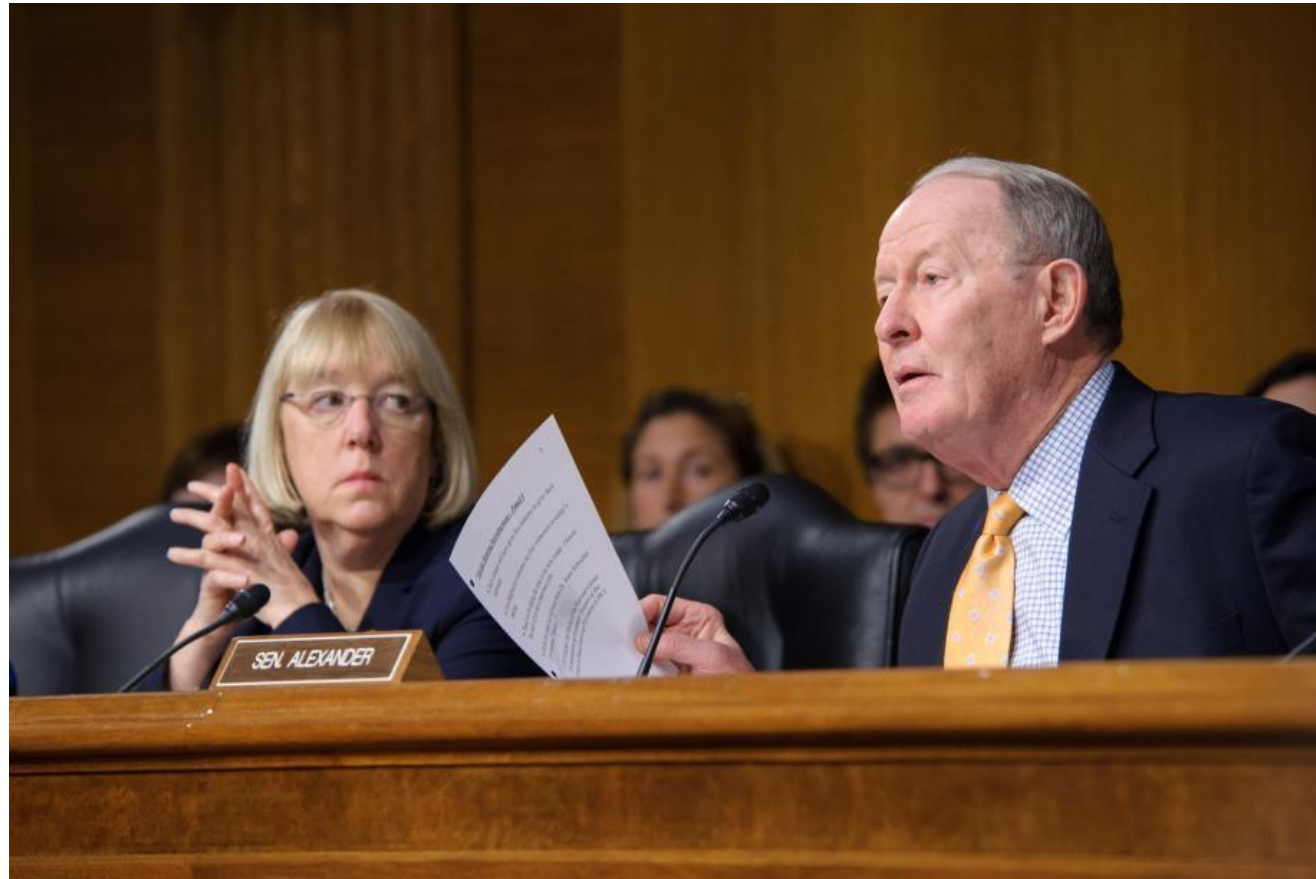
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STATE-FEDERAL TOPICS:

- **Reinsurance, State Relief and Empowerment Waivers.**
- **Surprise Billing and Healthcare Costs.**
- **Affordable Care Act Updates.**

REINSURANCE IN CONGRESS:



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- Conversations in the House and Senate on reinsurance legislation creating a national program, costs continue to be an issue.
- Has seen bi-partisan support in the past, but also tied to ACA.

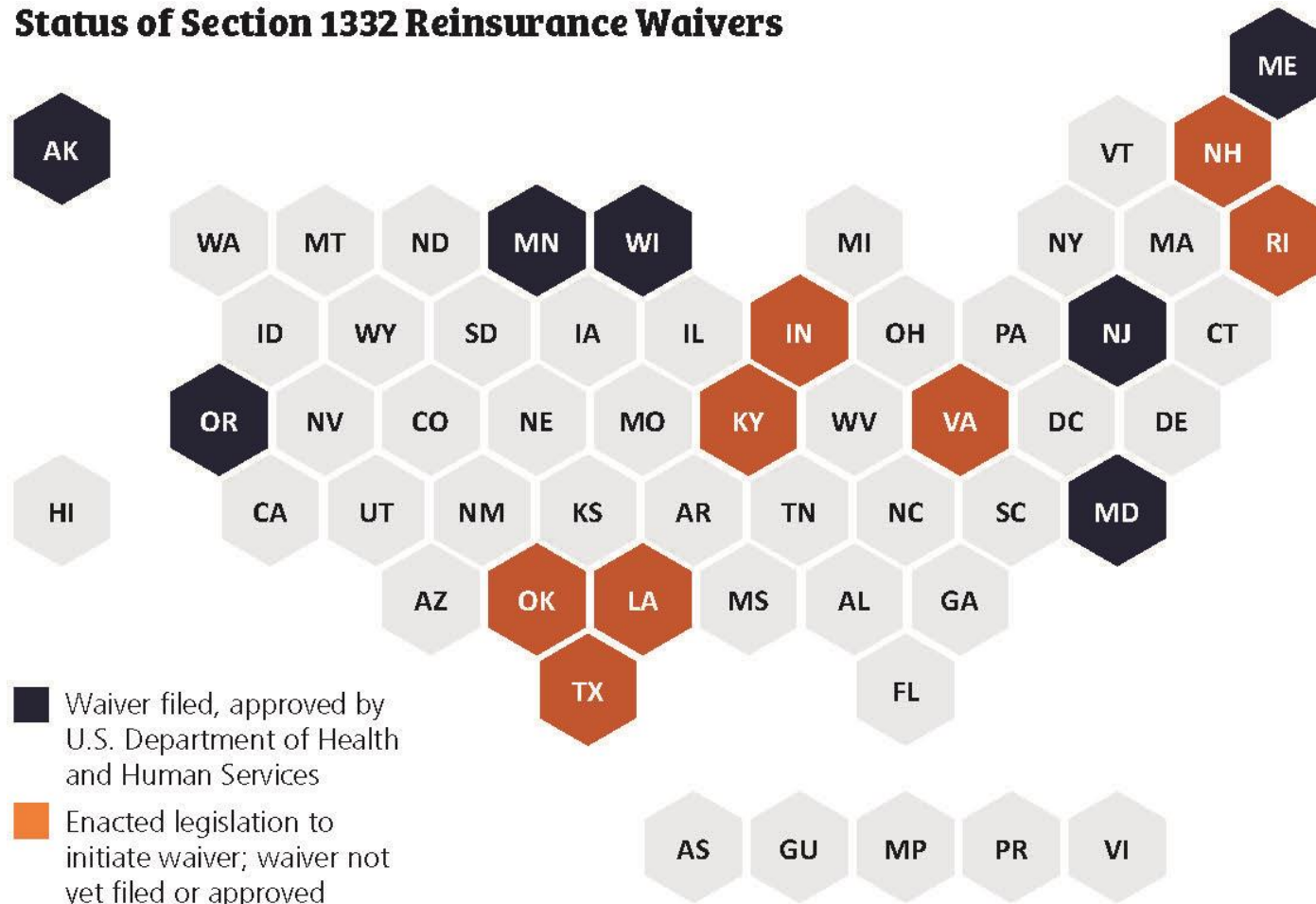
REINSURANCE IN CONGRESS:

- Introduction of, H.R. 1425, the State Health Care Premium Reduction Act.
- Would provide \$10 billion annually to states to set up a reinsurance program, or use funds for reducing out-of-pocket costs for qualified individuals.
- Would require CMS to establish reinsurance program in states that don't apply for federal funding under legislation.



REINSURANCE & WAIVERS:

Status of Section 1332 Reinsurance Waivers



Source: NCSL, 2018



NATIONAL CONFERENCE OF STATE LEGISLATURES

REINSURANCE & WAIVERS:

- Established under the Affordable Care Act (ACA), ran from 2014 to 2016.
- Funded by contributions from health insurers and external administrators who paid set fee per enrollee.
- Funding for high-cost patients with ongoing care while offsetting costs of their coverage for low-risk enrollees as well.

REINSURANCE & WAIVERS:

- Reinsurance programs previously authorized under Section 1332 waivers, now called State Innovation Waivers.
- Reimbursement system protects insurers from high claims and uses a third party to part of a company's claim.

STATE INNOVATION WAIVERS:

- CMS updated guidance in October 2018, making it easier for a state plan to be approved.
- Waivers will be analyzed based on coverage purchased, shifting its focus to the overall impacts and costs on the general population.
- Previously, the overall effects on specific populations that gained coverage through a reinsurance waiver was part of the criteria.

BILLING & HEALTHCARE COSTS:

■ Congressional Legislation:

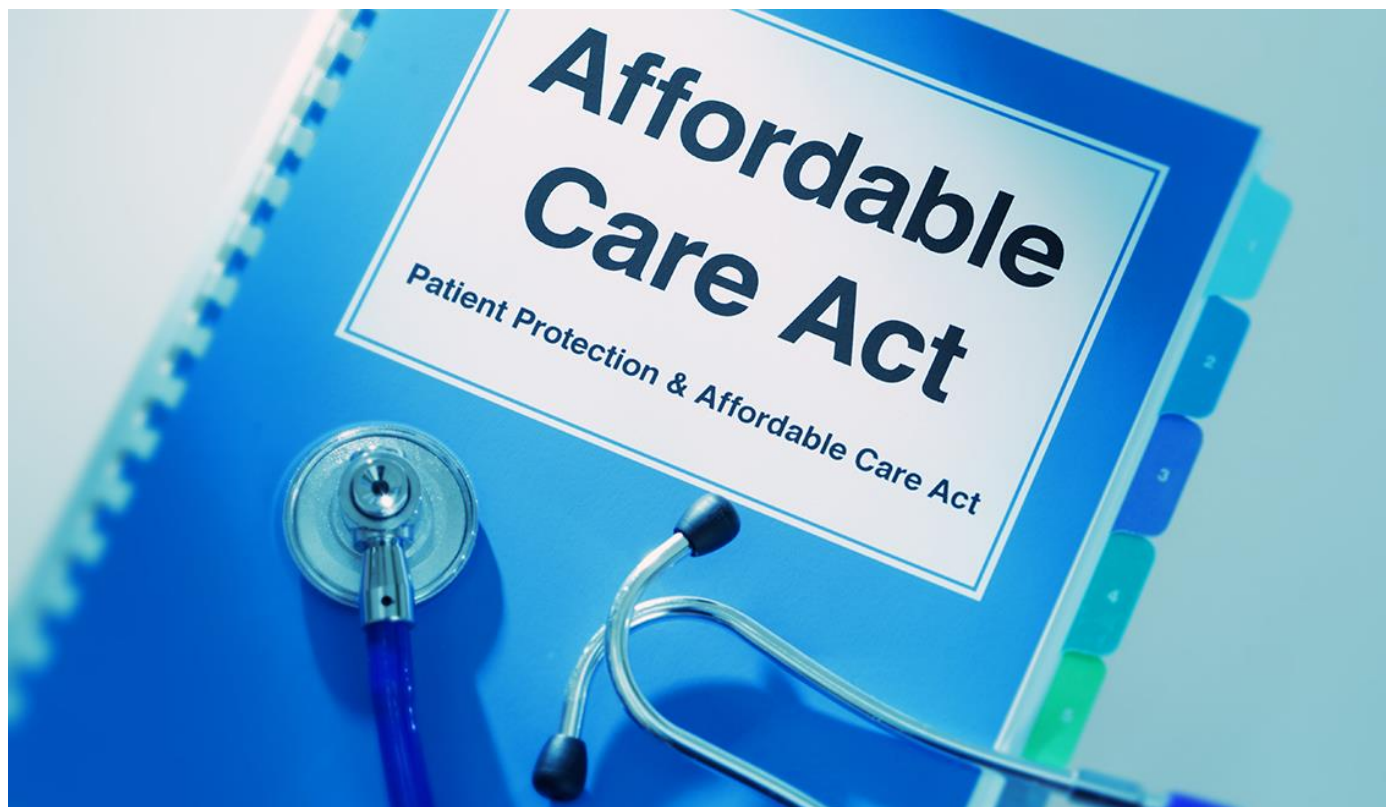
- Offsetting premiums and out-of-pocket expenses.
- Transparency in billing and out-of-network charges.
- Increasing funding for reductions to ACA programs.

BILLING & HEALTHCARE COSTS:

■ Congressional Legislation:

- Proposed changes to federal exchange options and expansion of programs i.e. association health plans.
- Some bi-partisanship in House but more so in Senate.
- Bi-partisan group of Senators seeking information on billing practices in private and public plans.

AFFORDABLE CARE ACT:



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■ Health Insurance Exchanges 2019 Open Enrollment Report:

- 11.4 million selected or automatically enrolled down from 11.8%.
- 24% were new Exchange consumers down from 27%.
- 87% of consumers enrolled received an advanced premium tax credit (APTC) up from 85%.

AFFORDABLE CARE ACT:

- Last year a judge in the U.S. Court of Appeals for the Fifth Circuit ruled the ACA was not constitutional.
- Recently, the Department of Justice reversed its previous decision on this ruling and agreed with the Fifth Circuit decision that the ACA was not constitutional.
- The Circuit Court of Appeals granted the DOJ unopposed request to fast track oral arguments in the ACA challenge and have set a hearing for the week of July 8th.

HEALTH INSURANCE ACROSS STATE LINES:

- Proposed rule and comments requested on selling health insurance across state lines, can be submitted until May 6th.
- Looking for feedback on how states can use Section 1333 of ACA to allow two or more states to enter into a Health Care Choice Compact.
- Input on financial impacts of selling health insurance across state lines.



ASSOCIATION HEALTH PLANS:

- Ruling on expansion of association health plans (AHP) was set for April 1.
- Expansion of AHPs brought before U.S. District Court of Columbia by group of 12 Democratic attorneys general.
- Judge struck: ability for sole proprietors to join an AHP, and allowance of employers without similar businesses in the same geographic region to create an insurance plan.

ASSOCIATION HEALTH PLANS:

- **Department of Labor considering an appeal of ruling.**
- **States have been using expanded rules for AHPs, encouraged to keep those already enrolled but wait on new ones.**

RESOURCES:

- **Federal Register Proposed CMS Rule- Selling Health Insurance Across State Lines.**
- **Health Insurance Exchanges 2019 Open Enrollment Report 2019**
- **NCSL LegisBrief on Reinsurance**
- **Info Alert: State Relief and Empowerment Waivers**
- **NCSL LegisBrief on Surprise Medical Billing**

RESOURCES:

- [Health Exchanges 2019 Open Enrollment Report](#)
- [Request for Information on Selling Health Insurance Across State Lines](#)
- [NCSL Blog on DOJ ACA Reversal Decision](#)
- [NCSL Our American States Podcast on Reinsurance](#)
- [NCSL Association Health Plans and Short-Term Limited Duration Plans Brief](#)

THANK YOU!

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