NEBRASKA DEPARTMENT OF INSURANCE
2019 LISTENING SESSIONS

NEBRASKA

DEPARTMENT OF INSURANCE FUNCTIONS

- General supervision, control, and regulation of insurance in Nebraska § 44-101.01
  - Producer licensing
  - Company licensing
  - Rate and form review
  - Consumer assistance
  - Market conduct examination and corrective actions
  - Financial solvency monitoring and intervention
  - Fraud prevention and investigation
  - Consumer alerts, brochures, and newsletters

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INSURANCE IS IMPORTANT IN NEBRASKA

- Nebraska's domestic insurers rank:
  - Second nationally in surplus (assets against liabilities, $203,403,494,679), second only to Illinois.
  - Sixth nationally in assets (includes reserves, $581,454,847,658 of oversight responsibility for NDOI).
  - Twelfth nationally in premiums written ($29,755,222,283).
- Industry concentration for employment is high. Nebraska has 84% more jobs in the insurance industry than would be expected in a state of its size.
  - This is the second highest insurance job concentration for any state.

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STATE-BASED INSURANCE REGULATION

McCarran Ferguson Act (1945)

- Congress' response to states' loss of authority to regulate insurance in Supreme Court case, *United States v. South-Eastern Underwriters Association* (1944)
- Exempts insurance industry from the Commerce Clause
- Guarantees state regulation of insurance
- Creates "reverse preemption": state laws that regulate the business of insurance apply and preempt federal law *unless federal law specifically relates to the business of insurance*

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FEDERAL LAWS THAT IMPACT STATE-BASED INSURANCE REGULATION

- Gramm-Leach-Bliley Act (GLBA)
- Sarbanes-Oxley Act (SOX)
- Fair Credit Reporting Act (FCRA)
- Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (PATRIOT)
- Flood and Crop Insurance Issues
- Terrorism Risk Insurance Act (TRIA)
- Health Insurance Portability and Accountability Act (HIPAA) and Medicare Part D
- Dodd-Frank Wall Street Reform and Consumer Protection Act
- Patient Protection and Affordable Care Act (ACA)

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC)

- State regulators establish standards and best practices, conduct peer review, and coordinate regulatory oversight.
  - https://www.naic.org/
- States draft model laws and regulations with input from consumers and industry.
  - https://www.naic.org/prod_serv_model_laws.htm
  - Example: https://www.naic.org/store/free/MDL-075.pdf?32
  - Note the implementation chart at the end of each model, giving cites to state laws or regulations.

NEBRASKA DEPARTMENT OF INSURANCE HEALTH DIVISION

HEALTH INSURANCE:
Individual and Small Group Coverage for 2019

NEBRASKA

U.S. HEALTH INSURANCE MARKET DISTRIBUTION 2013 to 2017

	2013	2014	2015	2016	2017
Direct-purchase (individual)	11.4%	14.6%	16.3%	16.2%	16.1%
Employment-based	55.7%	55.4%	55.7%	55.7%	56.0%
Medicaid/CHIP	17.5%	19.5%	19.6%	19.4%	19.3%
Medicare	15.6%	16.0%	16.3%	16.7%	17.3%
Military health care	4.5%	4.5%	4.7%	4.6%	4.8%
Uninsured	13.3%	10.4%	9.1%	8.8%	8.3%

2013 to 2014: Individual increased 3.2%, uninsured decreased 2.9%
2014 to 2015: Individual increased 1.7%, uninsured decreased 1.3%
2015 to 2016: Individual decreased 0.1%, uninsured decreased 0.3%
2016 to 2017: Individual decreased 0.1%, uninsured decreased 0.5%

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INSURERS SELLING COVERAGE IN NEBRASKA ON THE FEDERALLY FACILITATED EXCHANGE ("Healthcare.gov")

Number of Insurers and Year	Aetna (Coventry)	Blue Cross & Blue Shield	CoOportunity	Medica	Time (Assurant)	United HealthCare
3 in 2014	2014	2014	2014			
4 in 2015	2015	2015	2015*		2015	
4 in 2016	2016	2016		2016		2016
2 in 2017	2017			2017		
1 in 2018				2018		
1 in 2019				2019		

*CoOportunity was pulled from the Marketplace in late December 2014. The company is in liquidation.

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ON-EXCHANGE (INDIVIDUAL) ENROLLMENT IN NEBRASKA, 2014 – 2018

- **2014** 42,975 on-exchange
- **2015** 74,152 on-exchange – by June, 63,776 had in-force coverage through the exchange.
- **2016** 87,835 on-exchange – by June, 80,213 had in-force coverage through the exchange.
- **2017** 84,371 on-exchange – by June, 74,582 had in-force coverage through the exchange.
- **2018** 88,213 on-exchange – by June, 81,784 had in-force coverage.

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2018 NEBRASKA ENROLLMENT IN DETAIL

- Exchange enrollees in Nebraska represent approximately 4.59% of the population (1,920,000 total population/88,213 marketplace enrollees).
- 88,213 people were enrolled on-exchange at the end of open enrollment
- By June 2018, on-exchange enrollment down to 81,784 on-exchange
  - Area 1 (Omaha) 26,000
  - Area 2 (Lincoln) 17,709
  - Area 3 (Mid-State) 26,952
  - Area 4 (Western) 11,121
- June 2018 enrollment was 102,315 for all ACA-compliant plans, on- and off-exchange.
- Nebraskans receiving subsidies as of June 2018:
  - APTC received by 81,039 (99% of exchange enrollees; 79% of all enrollees)
  - CSR received by 40,654 (50% of exchange enrollees; 40% of all enrollees)
  - (more about APTC and CSR in a few slides)

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EXCHANGE PURCHASER DEMOGRAPHICS

%FPL	Number of Insureds
100%-138%	16,286
138%-150%	7,694
150%-200%	17,488
200%-250%	16,744
250%-300%	10,457
300%-400%	14,273

Metal Level	Number of Insureds
Catastrophic	961
Bronze	37,488
Silver	46,383
Gold	3,381

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UNINSURED RATE IN NEBRASKA

Year	People Uninsured (estimated)
2013	209,000
2014	179,000
2015	154,000
2016	161,000
2017	159,360

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INDIVIDUAL ACA 2019 RATES

- Nebraska will have one carrier on the exchange in 2019 – Medica.
- Medica is seeking an average **2.9% overall increase**.
  - Main Nebraska ACA product increase 3.7%
  - CHI Health product (available only in 23 eastern Nebraska counties) decrease -2.6%
- Premiums for Medica rose 53% in 2016 and 31% last year.
- *Proposed rates are preliminary only, final rates will be made public on November 1, 2018.*
- Medica's change from a PPO to EPO is one reason the rate increase is so small for 2019.
  - If you ever have difficulty finding an in-network provider, contact Medica – network adequacy standards apply to these plans.

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INDIVIDUAL MARKET PREMIUM INCREASES 2014 – 2019

	Single Young Adult	Family 2 Adults 2 Kids	Single Older Adult	Older Couple (No Kids)
2014	$239.22	$744.68	$700.83	$1,528.36
2015	$288.35	$918.64	$844.77	$1,867.38
2016	$334.25	$1,028.96	$979.26	$2,094.72
2017	$407.10	$1,651.72	$1,192.68	$2,996.08
2018	$495.16	$2,105.18	$1,450.67	$2,831.46
2019*	$504.17	$2,143.48	$1,477.06	$2,488.94
Increase 2014 to 2019*	110.8%	187.8%	110.8%	62.9%

**** Rates for 2019 are proposed only, and may slightly change after NDOI review.***

Scenarios Defined:

- "Single Young Adult" is a 26-year-old in Lincoln on a **silver plan**
- "Family 2 Adults 2 Kids" is 2 adults age 35 and 2 children in Omaha on a **silver plan**
- "Single Older Adult" is a 64-year-old in Lincoln on a **silver plan**
- "Older Couple (No Kids)" is 2 adults age 60 in Omaha on a **gold plan**

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SMALL GROUP INSURANCE 2019 RATES

Small group insurance is employer sponsored coverage for 2-50 employees.

- The ACA requires that small group plans comply with the same high coverage standards as individual plans, and the ACA does not allow insurers to charge different rates to different small employers based on health of the employees.
- These are *proposed average rates only.* Negotiations between NDOI and the insurers will result in some slightly lower final rates.
    - Aetna Health **4.58%**
    - Aetna Life Insurance Company **1.38%**
    - Blue Cross Blue Shield Nebraska **5.25%**
    - UnitedHealthCare Ins. Company **8.89%**
    - UHC of the Midlands **12.38%**

Rates for small group insurance can go up quarterly which is different than the individual market.

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Open Enrollment for
plan year 2019 is from

November 1, 2018 to December 15, 2018.

Coverage begins January 1, 2019.

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WAYS TO ENROLL

- Healthcare.gov
  - Includes subsidies and available plans
- Consult an agent to understand all your options and pick the plan that is best for you.

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HOW TO FIND OUT IF YOU QUALIFY FOR A SUBSIDY

- https://www.kff.org/interactive/subsidy-calculator/

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2019 FEDERAL POVERTY LEVEL (FPL)

Family Size	FPL 100%	FPL 250%	FPL 400%
1	$12,140	$30,350	$48,560
2	$16,460	$41,150	$65,840
3	$20,780	$51,950	$83,120
4	$25,100	$62,750	$100,400
5	$29,420	$73,550	$117,680
6	$33,740	$84,350	$134,960
7	$38,060	$95,150	$152,240
8	$42,380	$105,950	$169,520

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ADVANCE PREMIUM TAX CREDIT (APTC)

- Advance Premium Tax Credit (APTC) is a tax credit you can take in advance to lower your monthly health insurance payment.
- APTC is based on your estimated expected income for the year.
  - If at the end of the year you've taken more APTC than you are due based on your final income, you will have to pay back the excess when you file your federal tax return.
  - If you have taken less than you qualify for, you will get the difference back.

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APTC IS A PERCENTAGE OF HOUSEHOLD INCOME

- This matters because no matter what the cost, your payment is a percentage of what you earn – *not* a percentage of the premium cost.
- For a family of four with a household income of $51,000, the family's payment will be 6.76% of household income ($287 per month), no matter what the insurance costs.
- If rates go up, the family's payment stays the same.

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COST SHARING REDUCTIONS (CSR)

- Cost sharing can be copayments or coinsurance, paid at the time of service for things like doctor visits or prescription refills, or deductibles, which must be paid before the plan begins paying toward the service.
- For people who earn between 100% and 250% of FPL and purchase a Silver plan, the ACA gives them a discount on cost sharing.

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PURCHASERS WILL RECEIVE CSRs, EVEN IF THEY ARE NOT FUNDED

- Regardless of whether the government pays for CSRs, insurers are required by law to provide CSR plan variants to insureds.
- If you qualify for CSRs, you are automatically issued one of these plan variants based on household income as a percentage of FPL.
- Plans have discounted CSRs built into them, so that the copays, deductible and maximum out of pocket are written into the policy and wallet card.
- Plans adjusted to not receiving CSR payments last year.
- Litigation is ongoing in this area.

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WHAT IF I EARN MORE THAN 400% FPL?

- There are no APTC benefits for people who earn more than 400% FPL.
- When shopping for an ACA plan, consider a Bronze or Gold plan.
- Even more important that you speak with an agent.
- There are new options in the market, and it is important that people understand not all health insurance is the same.

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ACA TAX PENALTY REPEAL AND HARDSHIP EXEMPTION

- For 2019, the tax penalty is $0.
- For 2017 and 2018, the federal government may grant a hardship exemption for individuals in a county where only one insurer offered individual health insurance coverage on the federal exchange.
  - A hardship exemption is an approved reason for waiving a penalty fee for not having minimum essential coverage under the ACA.
  - The documentation or written explanation submitted to get the exemption should explain how having only one insurer and a lack of choice on the exchange prevented you from getting coverage from a plan offered on the exchange.
- If you have any questions regarding this exemption, you may wish to talk to your tax preparer or financial advisor.
- Questions about the application form and what constitutes sufficient documentation and/or written explanation of why an exemption may be granted should be directed to healthcare.gov at https://www.healthcare.gov/contact-us/ or 1-800-318-2596.

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SHOPPING FOR HEALTH INSURANCE

- Identify your current health care needs and keep these in mind as you compare health insurance policies.
  - Doctors
  - Services
  - Prescription drugs
  - Excluded services or waiting periods for pre-existing conditions (if non-ACA plan)
- Compare health insurance policies.
- Compare the costs, including:
  - Premiums
  - Copays
  - Deductibles
  - Maximum out-of-pocket
  - Annual or lifetime limits (if non-ACA plan)

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GENERAL QUESTIONS TO ASK

- How long does coverage under this policy last?
- Does this policy cover pre-existing conditions? Is there an additional charge?
- If I develop a health condition, can this policy be cancelled or not renewed, even if I've paid my premiums?
- Will my doctor or hospital bill the insurance company, or do I have to pay up front and get reimbursed?
- Does the policy require that I use a specific network of doctors or hospitals?
- Are my doctor and hospital in this plan's network?
- Is there a point where I no longer have to pay anything out-of-pocket for health care services (MOOP)?

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QUESTIONS TO ASK: COVERAGE FOR SERVICES

- Ask if these services are covered, and if there are limits on the number of covered visits or limits on what you pay out-of-pocket:
  - Physician office visit
  - Specialist office visit
  - Preventive care (physicals, wellness visits, immunizations)
  - Urgent care
  - Hospital emergency care
  - Hospital inpatient care
  - Outpatient services
  - Laboratory services
  - Maternity care
  - Mental health and substance use disorder – inpatient
  - Mental health and substance use disorder – outpatient
  - Physical, occupational, or speech therapy; chiropractic

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SPECIFIC QUESTIONS TO ASK: PRESCRIPTION DRUGS

- Does this policy cover prescription drugs?
- Does this policy cover the drugs I use?
- Are there limits or requirements for approval before I fill a prescription?
- What will I have to pay out-of-pocket for prescription drugs?
  - Tier 1
  - Tier 2
  - Tier 3
  - Mail order
  - Specialty drugs

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SPECIFIC QUESTIONS TO ASK: COMPARING COSTS

- **Premium questions:**
  - How much will I pay for coverage each month?
  - Are there any other fees like application or membership fees?
  - Will I pay more because I have a pre-existing condition?
  - Will I receive financial help with out-of-pocket costs?
  - Am I eligible for premium subsidies with this policy?
- **What will I have to pay out-of-pocket, in addition to premiums?**
  - Deductible amounts:
    - In network
    - Out-of-network
    - Separate deductible for other services (like drugs)
  - Coinsurance percentage
  - Is there an annual limit on coverage (I pay all costs after the insurer pays a certain amount)?
  - Is there a lifetime limit on coverage (I pay all costs after the insurer pays a certain amount)?

NEBRASKA DEPARTMENT OF INSURANCE HEALTH DIVISION

NEW DEVELOPMENTS AND HOT TOPICS IN HEALTH INSURANCE

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REGULATION CHANGE FOR MEDICARE SUPPLEMENT

- Changes are coming in 2020.
- There is confusion in the market – a consumer can stay in their current plan.
- The changes will impact “newly eligible” people in 2020.
- Newly eligible are those who:
  - Attained age 65 on or after January 1, 2020 or
  - First became eligible due to age, disability or ESRD on or after January 1, 2020.
- Prohibits first-dollar Part B coverage on Medicare Supplement plans (Plans C and F) to newly eligible beneficiaries.
- Creates Plans D and G, the guaranteed issue plans for newly eligible people.

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NEW MEDICARE CARDS

- Starting in April 2018, new Medicare cards were mailed to beneficiaries.
- State and federal regulators are aware of potential scams occurring in connection with the issuance of the new cards.
- Please remember:
  - **The card will be mailed to you.**
  - **Medicare will not call you** to ask for payment for the new Medicare card, or to request personal information.
- **Be aware that insurance agents are not permitted to use the issuance of a new card as a reason to schedule a visit to sell insurance**.
  - Remember, agents are prohibited from coming to your home uninvited to sell or endorse any Medicare-related product.
  - They cannot ask for your personal information, like your Medicare number, social security number, bank account or credit card numbers, over the phone.
- If you believe you have been a target of a Medicare scam, please contact the Nebraska Department of Insurance at 1-877-564-7323.

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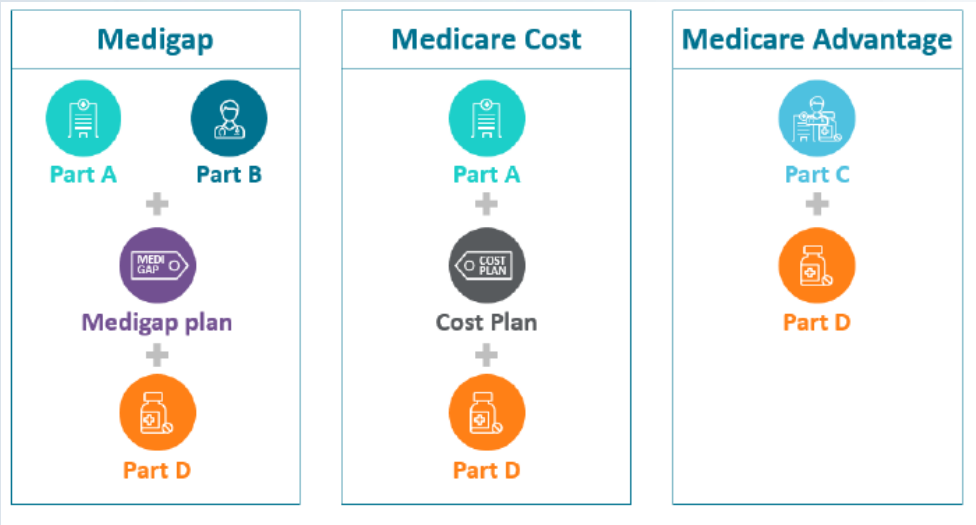
WHAT IS A MEDICARE “COST PLAN”?

- Medicare pays Part A, insurer pays Part B.
- Originally designed for rural areas.
- Not a Medicare Advantage product.
- May include prescription drug coverage.
- Open year enrollment period, can change coverage levels during the year, and can cancel at any time.



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DO YOU KNOW ABOUT SHIIP?

- **1-800-234-7119** for information or to schedule an appointment.
- https://doi.nebraska.gov/consumer/senior-health
- 2018 enrollment events (statewide) https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/2018%20Enrollment%20Event%20List%20-%20State%20list.pdf

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NEBRASKA SHIIP PROGRAM

- Because Medicare can be confusing, the State of Nebraska has developed a program to educate older Nebraskans and people with disabilities about their health insurance and increase awareness of health care fraud.

- Senior Health Insurance Information Program (SHIIP) educates people with Medicare, assisting seniors and individuals with disabilities to make informed decisions about health insurance.

- The Nebraska SHIIP program is funded through federal grants provided by the Administration on Community Living.

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TELL A FRIEND ABOUT SHIIP!

- The Nebraska SHIIP does not sell any products or policies, does not conduct market research, and is not related to any insurance companies.
- SHIIP not only provides presentations at senior centers and other organizations but also maintains a counseling program for Nebraskans who request one-on-one assistance.
- SHIIP counselors provide accurate, objective information; they help you understand your options so that you can make a better-informed decision.
- Private counseling sessions may be scheduled to discuss Medicare benefits, Medicare Advantage products, Medicare Supplement policies, Medicare Part D, or healthcare fraud - just to name a few.
- All SHIIP presentations and counseling sessions are free and unbiased. Also, all counseling sessions are completely confidential.

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SHORT TERM LIMITED DURATION PLANS

- These are “mini med” plans that provide some level of health insurance.
  - They are typically cheaper than non-subsidized ACA coverage.
  - However, they are subject to underwriting, pre-existing condition restrictions, and are not guaranteed issue.
  - The benefits are less than ACA plans.
- They are now issued for up to 364 days, with possible renewal up to 3 years.
- Must contain consumer disclosures.
- Make sure to talk to your agent or broker.
- NDOI guidance at https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/Short-TermDurationMedicalPlanFilingReqs.pdf

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ASSOCIATION HEALTH PLANS

- Association health plans are groups of employers that join together to provide health insurance benefits to their employees.
- This is known as a Multiple Employer Welfare Arrangement or “MEWA.”
- The employers participate in the governance of the association and the health plan it offers.
- Small employers can group together to provide insurance as one large employer, so long as they follow the federal requirements under ERISA and, if they are self-insured, Nebraska law for MEWAs.
- State and federal coverage mandates also apply if the health insurance plan is fully insured.
- If the employer or association retains any risk (obligation to pay health claims), then the plan is not “fully insured” and must comply with Nebraska’s MEWA Act.

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NEW FEDERAL OPTION FOR AHPs

- On June 19, 2018, the U.S. Department of Labor (DOL) released a Final Rule for Association Health Plans (AHPs).
- The new rule does not change or preempt existing Nebraska law that regulates these plans.
- The new rule creates a new “pathway” to form an AHP, but does not eliminate the method that already existed. Now, there are two pathways.
- “Pathway 2”:
  - Expands the ERISA definition of “employer” to include “working owners,” which are sole proprietors;
  - Allows AHPs to cross state borders.
  - Allows employers from different industries to join an AHP if the association has a substantial purpose other than offering insurance.
  - Contains nondiscrimination requirements that AHPs under “pathway 1” are exempt from.

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COMPARING AHP OPTIONS

	Pathway 1	Pathway 2
Employers in the same industry or profession	Yes	No – if AHP has a substantial purpose other than insurance
Can charge employers different rates based on health status	Yes	No – new nondiscrimination rule
Can include sole proprietors	No – every employer member must have at least one common-law employee.	Yes – if they meet the new definition of “working owner”
Is a MEWA	Yes	Yes

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SELF-INSURED MEWAs IN NEBRASKA

- AHPs formed under either “pathway 1” or “pathway 2” are Multiple Employer Welfare Arrangements or “MEWAs.”
  - Nebraska MEWA Act at Neb. Rev. Stat. §§ 44-7601 to 44-7617.
  - Regulation at 210 NAC 78 http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Insurance_Dept_of/Title-210/Chapter-78.pdf
- Key provisions of the Nebraska MEWA requirements:
  - Act specifically excludes “fully insured” MEWAs from the definition, because solvency is assured by the full transfer of risk to a licensed insurer.
  - Applies to any MEWA offering membership to an employer with its principal headquarters or office in Nebraska, regardless of where MEWA is “sitused.”
  - Assessment of members if MEWA needs more money to pay claims.
  - Same trade or industry requirement.
  - Must have been engaged in substantive activity for its members other than sponsorship of a health benefit plan for more than three years prior to application for a certificate of registration.
  - Aggregate of 200+ participating employees.

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HEALTH CARE SHARING MINISTRIES

Disclaimer required for all applications and guideline materials distributed by or on behalf of a Health Care Sharing Ministry, per Neb. Rev. Stat. § 44-311:

IMPORTANT NOTICE. This organization is not an insurance company, and its product should never be considered insurance. If you join this organization instead of purchasing health insurance, you will be considered uninsured. By the terms of this agreement, whether anyone chooses to assist you with your medical bills as a participant of this organization will be totally voluntary, and neither the organization nor any participant can be compelled by law to contribute toward your medical bills. Regardless of whether you receive payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills. This organization is not regulated by the Nebraska Department of Insurance. You should review this organization's guidelines carefully to be sure you understand any limitations that may affect your personal medical and financial needs.

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HIGH MEDICAL COSTS DRIVE PREMIUMS

The ACA caps insurers' profits.

- Insurers' profits, plus costs not associated with paying claims to benefit policyholders, cannot equal 15% or 20% of the money collected in premiums (depending on the type of insurer and type of product), and if non-claims costs exceed 15% or 20%, the extra is returned to policyholders.

Risk is heavily concentrated in the highest-cost enrollees.

- Medical costs in 2016 from a survey of some Nebraska ACA carriers:
  - **The top 1% of insured people incurred 40% of the claims costs.**
  - **The top 5% incurred 72% of the total claims costs.**

Lack of competition is another cost driver.

- Only one carrier remains in the Nebraska ACA individual market. Others exited the market after losing millions of dollars.
- Many experts argue that lack of competition among health care providers is a major driver of healthcare price increases in a market.

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Where Does Your Health Care Dollar Go?

Your premium—how much you pay for your health insurance coverage each month—helps cover the costs of the medications and care you receive. It also helps to improve health care quality and affordability for all Americans. Here is where your health care dollar really goes.

23.3¢ Prescription Drugs

22.2¢ Doctor Services

20.2¢ Office & Clinic Visits

16.1¢ Hospital Stays

4.7¢ Taxes

3.3¢ Other Fees & Business Expenses

1.8¢ Customer Engagement

1.6¢ Finance, Claims, & Special Investigations

1.6¢ Care Management

1.6¢ Technology & Analytics

0.7¢ Administration

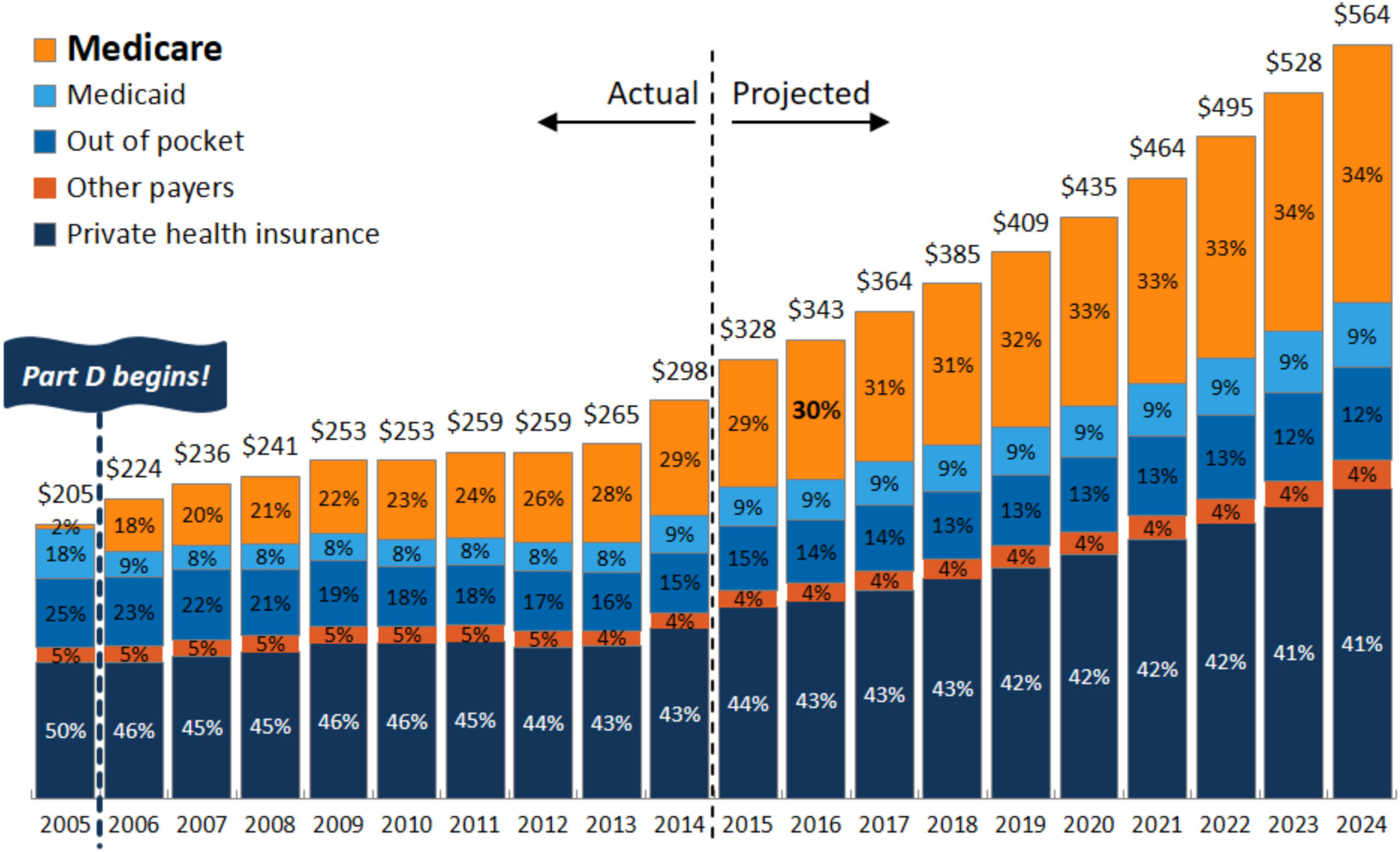
0.5¢ Provider Management

2.3¢ Net Profit

Expenditure estimates above produced by AHIP. Distribution of spending among administrative categories and taxes, based on analysis by Milliman, Inc. Milliman's analysis is available upon request.

AHIP

Total U.S. prescription drug spending, in $ billions:



NOTE: Medicaid prescription drug spending accounts for rebates.
SOURCE: Kaiser Family Foundation analysis of CMS National Health Expenditure Data for Historical (CY2005-2014) and Projected (CY2015-2024) Retail Prescription Drug Expenditures, 2013-2024.

THE HENRY J. KAISER FAMILY FOUNDATION

JAMA | Special Communication

Health Care Spending in the United States and Other High-Income Countries

Irene Papanicolas, PhD; Liana R. Woskie, MSc; Ashish K. Jha, MD, MPH

CONCLUSIONS AND RELEVANCE The United States spent approximately twice as much as other high-income countries on medical care, yet utilization rates in the United States were largely similar to those in other nations. Prices of labor and goods, including pharmaceuticals, and administrative costs appeared to be the major drivers of the difference in overall cost between the United States and other high-income countries. As patients, physicians, policy makers, and legislators actively debate the future of the US health system, data such as these are needed to inform policy decisions.

JAMA. 2018;319(10):1024-1039. doi:10.1001/jama.2018.1150

Figure 9. Pharmaceuticals

Rank (highest to lowest)	1	2	3	4	5	6	7	8	9	10	11	Mean
Total spending per capita, US $	US 1443	CHE 939	Japan 837	UK 779	France 697	Denmark 675	Germany 667	Canada 613	Sweden 566	Australia 560	NLD 466	749
Retail pharmaceutical spending per capita, US $	US 1026	CHE 776	Canada 587	Denmark 573	France 541	Sweden 501	Germany 480	Japan 443	UK 383	Australia 346	NLD 292	541
Prices, US $ per mo[a]												
Crestor (cholesterol)	US 86	Germany 41	Canada 32	Japan 29	UK 26	France 20	Australia 9	Sweden NA	NLD NA	CHE NA	Denmark NA	35
Lantus (diabetes)	US 186	Canada 67	UK 64	Japan 64	Germany 61	Australia 54	France 47	Sweden NA	NLD NA	CHE NA	Denmark NA	78
Advair (asthma)	US 155	Canada 74	Japan 51	Germany 38	France 35	Australia 29	UK NA	Sweden NA	NLD NA	CHE NA	Denmark NA	64
Humira (rheumatoid arthritis)	US 2505	Germany 1749	Australia 1243	Canada 1164	UK 1158	France 982	Japan 980	Sweden NA	NLD NA	CHE NA	Denmark NA	1436
New chemical entities, No.[b]	US 111	CHE 26	Japan 18	UK 16	Germany 12	France 11	Sweden NA	NLD NA	Denmark NA	Canada NA	Australia NA	NA
Pharmaceutical expenditure by financing type, % of total spending												
Public spending	France 80	Germany 75	Japan 71	UK 66	NLD 65	Sweden 52	Australia 49	CHE 43	Denmark 43	Canada 36	US 34	56
Private insurance	US 36	Canada 30	CHE 8	Denmark 8	Germany 7	NLD 2	France 1	Japan 1	UK 0	Sweden 0	Australia 0	8
Private out-of-pocket spending	CHE 51	Denmark 51	Australia 50	Sweden 48	UK 36	Canada 34	NLD 33	US 30	Japan 28	France 19	Germany 18	36
Share of generics, % of total[c]												
Volume	US 84	UK 83	Germany 80	France 70	Canada 70	Japan 56	CHE 54	Denmark 54	Sweden 44	Australia 30	NLD 17	58
Value	Germany 37	UK 33	Japan 33	Canada 29	US 28	France 16	NLD 16	Sweden 15	Australia 15	CHE 14	Denmark 14	23
Antibiotic prescribing, defined daily doses per 1000 population[d]	France 29.9	Australia 28.3	Canada 25	US 24	UK 20.1	Denmark 16.6	Germany 14.4	Sweden 12.9	NLD 10.7	CHE NA	Japan NA	20.2

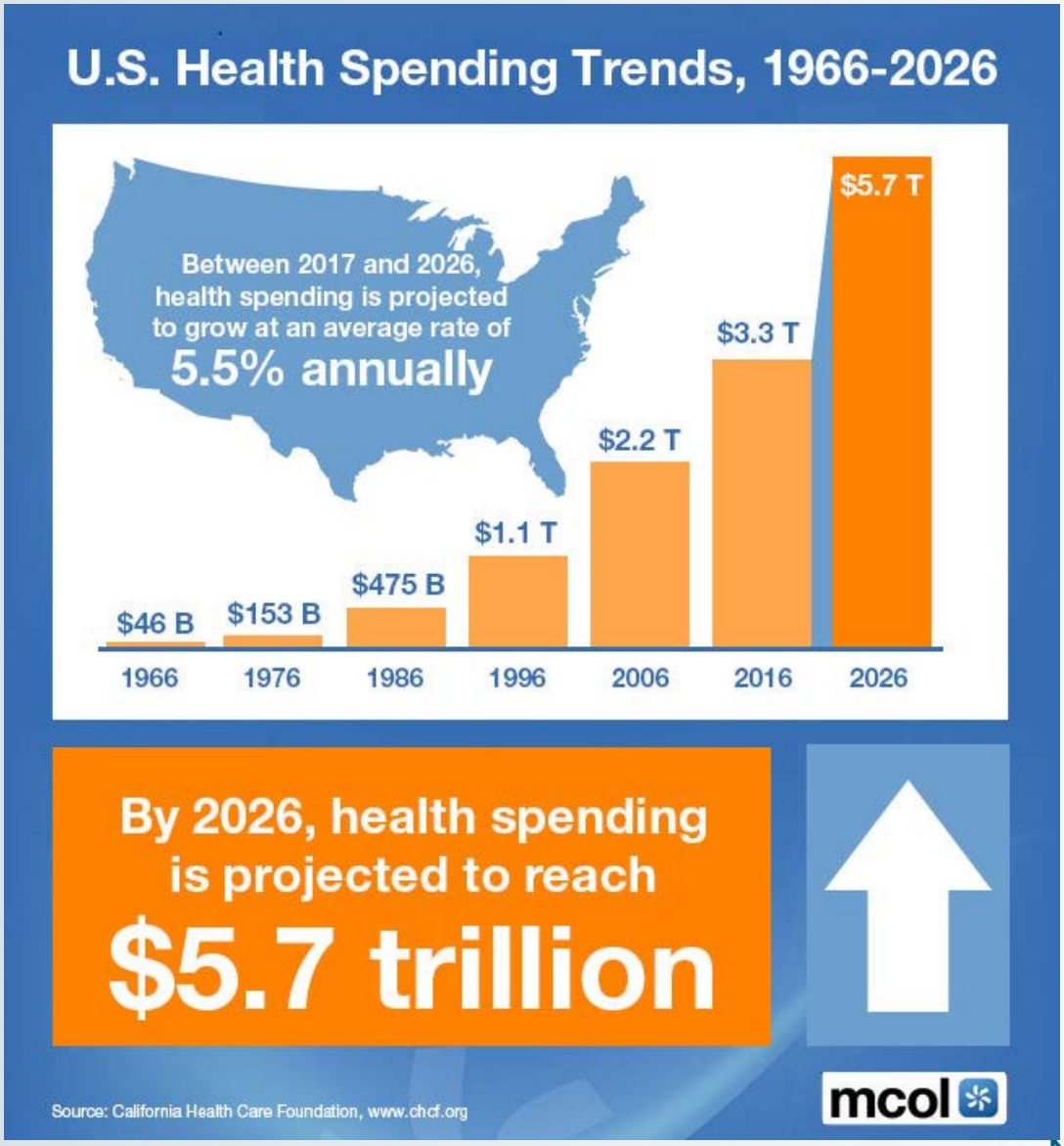
Figure 1

Majority of Americans, Regardless of Party, Say Limiting Amount Individuals Pay for Health Care Should Be Top Priority

Percent who said each should be a top priority for Donald Trump and the next Congress to do when it comes to health care:

RANK	TOTAL	DEMOCRATS	INDEPENDENTS	REPUBLICANS
1	Lowering the amount individuals pay for health care (67%)	Lowering the amount individuals pay for health care (70%)	Lowering the amount individuals pay for health care (65%)	Lowering the amount individuals pay for health care (64%)
2	Lowering the cost of prescription drugs (61%)	Lowering the cost of prescription drugs (67%)	Lowering the cost of prescription drugs (61%)	Repealing the 2010 health care law (63%)
3	Dealing with the prescription painkiller addiction epidemic (45%)	Dealing with the prescription painkiller addiction epidemic (51%)	Dealing with the prescription painkiller addiction epidemic (46%)	Lowering the cost of prescription drugs (55%)
4	Repealing the 2010 health care law (37%)	Decreasing how much the federal government spends on health care over time (35%)	Decreasing the role of the federal government in health care (34%)	Decreasing the role of the federal government in health care (50%)
5	Decreasing the role of the federal government in health care (35%)	Decreasing the role of the federal government in health care (26%)	Repealing the 2010 health care law (32%)	Decreasing how much the federal government spends on health care over time (43%)
6	Decreasing how much the federal government spends on health care over time (35%)	Repealing the 2010 health care law (21%)	Decreasing how much the federal government spends on health care over time (35%)	Dealing with the prescription painkiller addiction epidemic (39%)

NOTE: Only top six responses listed.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 13-19, 2016)



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BALANCE BILLS AND OUT-OF-NETWORK PROVIDERS

- There are times when going outside your network is simply unavoidable. But, the choice should be up to you, and you should make that choice an informed one. Follow these tips to help manage your costs:
  - Ask your provider to refer you to in-network first unless there is a specific reason why you want to go out-of-network.
  - Before scheduling an appointment with a new provider, ask if he or she participates in your plan (and your network through that insurer).
  - If you are having a complex procedure, like a surgery, ask your doctor if all of your providers participate, including the hospital, assistant surgeon if used, lab and anesthesiologist. Your doctor may be able to change your care to in-network providers for those services.
  - If you choose to go out-of-network, ask the provider's staff how much he or she will charge before your visit. Then, talk to your insurer to find out how much of the cost your plan will cover.
- Most importantly, remember that you are your own best advocate. Speaking up and asking questions up front will help you avoid being surprised at what you may owe.
- https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerFactSheetBalanceBillingandOutofNetworkProviders.pdf

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“GAG CLAUSE” LEGISLATION

- Federal legislation.
- Prevents clauses in pharmacies’ contracts with insurers that forbid the pharmacist from telling customers that it would cost less to purchase a drug without using insurance.

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DRUG COUPON CARDS

- Be aware that drug coupon cards are “third party payments” that likely will not count toward your deductible.
- Deductible and maximum out-of-pocket limits are designed to place a limit on the amount a consumer will have to pay toward medical costs.
- Sometimes, drug manufacturers use drug coupon cards to incentivize patients to choose a more expensive drug over the less expensive alternative. This results in higher medical costs for the insurer.
- Other times, there is no less expensive alternative drug, and the patient is faced with high costs at the pharmacy. Drug coupon cards may help spread out the deductible or MOOP over several months or the full year.

NEBRASKA DEPARTMENT OF INSURANCE HEALTH DIVISION

NEW DEVELOPMENTS AND HOT TOPICS IN OTHER TYPES OF INSURANCE

NEBRASKA

WORKERS' COMPENSATION ASSIGNED RISK POOL

- NDOI has selected and intends to award the contract to Travelers to provide coverage for the Nebraska Assigned Risk Workers' Compensation Insurance Plan beginning January 1, 2019.
  - Questions may be directed to Connie Van Slyke, Property and Casualty Administrator, at connie.vanslyke@nebraska.gov.

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AUTONOMOUS VEHICLES

- LB 989 allows operation of autonomous vehicles in Nebraska.
- Permits driverless cars if:
- Vehicle is capable of achieving a “minimal risk condition” (can bring the vehicle to a complete stop or engage hazard lights in the case of a malfunction); and
- While driverless, the vehicle can comply with all traffic and motor vehicle laws.
- For insurance purposes, financial responsibility for autonomous vehicles must satisfy the Motor Vehicle Safety Responsibility Act (same as regular vehicles).

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PUBLIC ADJUSTER LICENSES

- On July 19, 2018, Nebraska began issuing public adjuster licenses.
  - Licenses are both individual and business entity.
  - Licensing requirements online at https://doi.nebraska.gov/producers/public-adjuster-license-information-0
- Effective July 19, 2018, a Nebraska insurance consultant license will not include authority to act as a public adjuster.
  - If you hold a consultant license and use it to act as a public adjuster, you will need to reapply for the new public adjuster license.
- Questions regarding the public adjuster licensing process can be sent to the NDOI at doi.licensing@nebraska.gov or by calling the Licensing Division at 402-471-4913.

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PRE-LICENSING EDUCATION REQUIREMENT REMOVED

- Nebraska no longer requires pre-licensing for new resident applications or residents adding a line of authority, effective July 19, 2018.
- Pre-licensing education is an important part to passing your Nebraska insurance exam, but the NDOI will no longer regulate these courses.

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PROPOSED REPEAL OF REGULATIONS

- 210 Neb. Admin. Code:
  - § 3, Capital Stock Insurance Companies; Issue and Sale of Stock; Requirements; Agents
  - § 5, Surplus Notes; Application to Director; Contents; Expiration of Approval
  - § 12, Insurance Consultants License
  - 43, Eligibility Requirements and Selection Criteria for Public Representative to Serve on the Board of Directors for the Comprehensive Health Insurance Pool
  - § 48, Regulation to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Medicare Program Revisions
  - § 53, Eligibility Requirements and Selection Criteria for Health Agencies Representative to Serve on the Board of Directors for the Comprehensive Health Insurance Pool
  - § 67, Prelicensing Education Requirements

NDOI IS TEMPORARILY RELOCATED

- Terminal Building fire February 19, 2018.
- Moved into current location in March.
- Currently involved in RFP process for new location.
- In the meantime, use the NDOI post office address on correspondence:
  - PO Box 82089, Lincoln, NE 68501-2089.

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WE CAN HELP!

- Denied health claims
- Advice from the Consumer Assistance Division

NEBRASKA

APPEALING A DENIED HEALTH CLAIM

- STEP ONE: Internal appeal with the health insurance company.
  - Insurer has 15 working days to complete (Insured has 180 days to submit appeal after denial)
  - 72 hours if expedited
- STEP TWO: External review through NDOI.
  - Initial paperwork (Insured must submit within 4 months after final adverse determination)
  - Eligibility determination (Insurer has 5 days to determine eligibility)
  - Independent Review Organization assigned
  - IRO Decision (within 45 days)
  - 72 hours if expedited

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IMPORTANT DOCUMENTS TO KEEP

- Keep copies of all information related to your claim and the denial
- Examples:
  - Explanation of Benefits forms or claim denial forms
  - Dated copy of the request for an internal appeal
  - Any additional information you sent to the insurance company i.e. letter or medical records from the doctor
  - Notes and dates from any phone conversations insured had with the insurance company or with the doctor that relate to the appeal.
    - Include: day, time, name and title of the person insured spoke to, and details about the conversation

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EXPEDITED APPEALS

- Expedited appeals are completed within 72 hours and are available:
  - In urgent situations when waiting the regular time frame would jeopardize the life or health of the insured or the ability of the insured to regain maximum function would be jeopardized
  - When the insured has received emergency services but has not been discharged from a facility, for all claim denials concerning an admission, availability of care, continued stay, or health care service
  - Expedited internal appeal and expedited external review can be done concurrently in the rare cases where waiting 72 hours for expedited internal appeal would jeopardize the patient's life or ability to regain maximum function
  - The Insured's Physician must complete and sign the "Certification of Treating Health Care Provider for Expedited Consideration" form in the external review request to verify the patient's life or health is in serious jeopardy

ONLY MEDICAL DECISIONMAKING CAN BE REVIEWED IN AN EXTERNAL REVIEW

An “adverse determination” qualifies.

- “A determination that a covered health care services doesn’t meet the insurer’s requirements for medical necessity, appropriateness, health care setting, level of care or effectiveness or a denial for a treatment that is considered experimental or investigational”

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EXPERIMENTAL OR INVESTIGATIONAL CLAIM DENIALS

- Your doctor MUST complete the “Physician Certification form for experimental/investigational denials” form
- This is a way to get coverage for an otherwise excluded experimental/investigational treatment – but only if the conditions in the statute are met.

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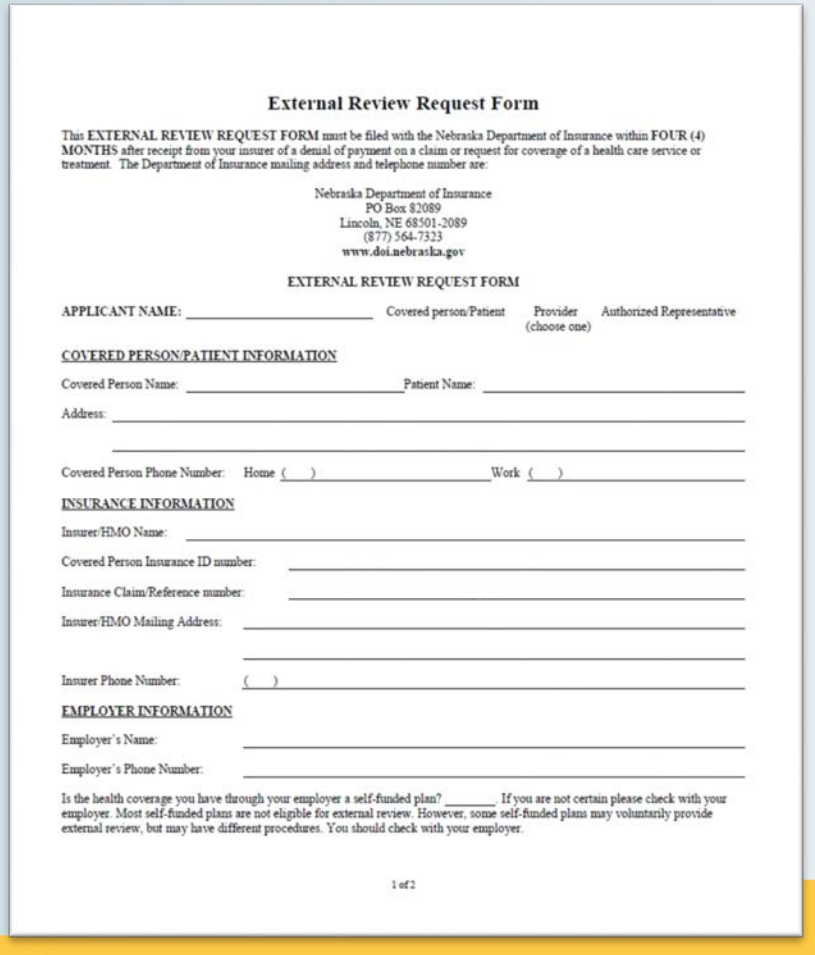
EXTERNAL REVIEW FORMS

Provided by insurers when claim appeals are denied, also available online at:
https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/Chapter87ExternalReviewForms.pdf



External Review Request Form

This **EXTERNAL REVIEW REQUEST FORM** must be filed with the Nebraska Department of Insurance within **FOUR (4) MONTHS** after receipt from your insurer of a denial of payment on a claim or request for coverage of a health care service or treatment. The Department of Insurance mailing address and telephone number are:

Nebraska Department of Insurance
PO Box 82089
Lincoln, NE 68501-2089
(877) 564-7323
www.doi.nebraska.gov

EXTERNAL REVIEW REQUEST FORM

APPLICANT NAME: _____ Covered person/Patient Provider Authorized Representative (choose one)

COVERED PERSON/PATIENT INFORMATION

Covered Person Name: _____ Patient Name: _____

Address: _____

_____

Covered Person Phone Number: Home ( ) _____ Work ( ) _____

INSURANCE INFORMATION

Insurer/HMO Name: _____

Covered Person Insurance ID number: _____

Insurance Claim/Reference number: _____

Insurer/HMO Mailing Address: _____

_____

Insurer Phone Number: ( ) _____

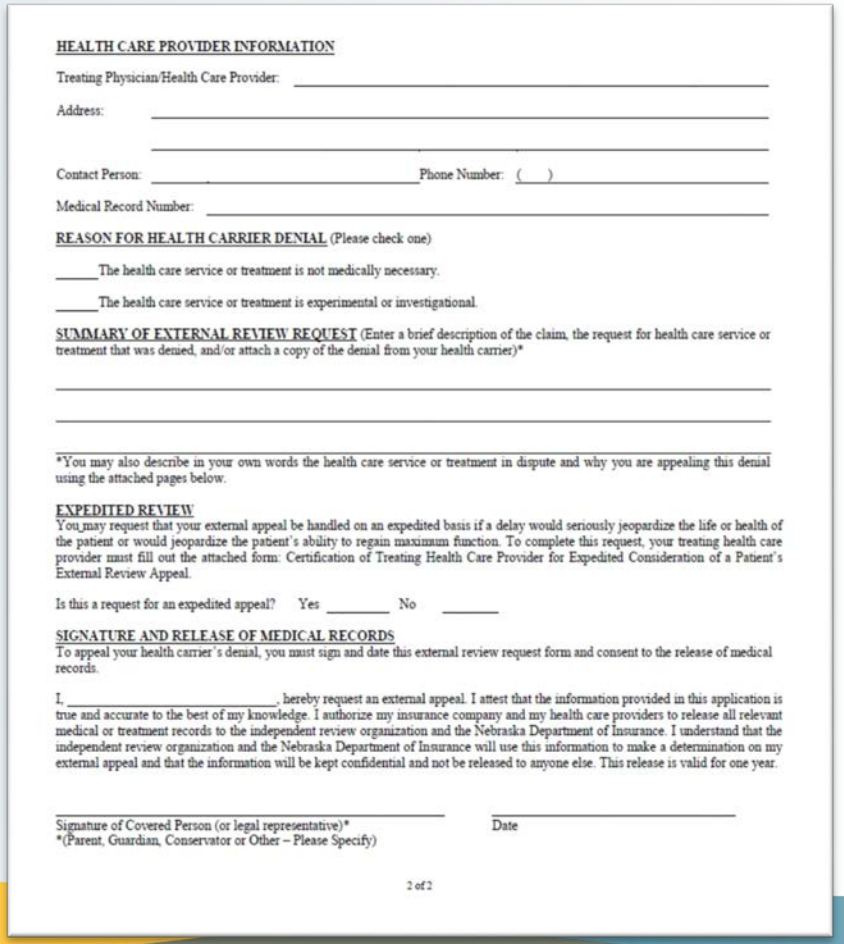
EMPLOYER INFORMATION

Employer's Name: _____

Employer's Phone Number: _____

Is the health coverage you have through your employer a self-funded plan? _____. If you are not certain please check with your employer. Most self-funded plans are not eligible for external review. However, some self-funded plans may voluntarily provide external review, but may have different procedures. You should check with your employer.

1 of 2



HEALTH CARE PROVIDER INFORMATION

Treating Physician/Health Care Provider: _____

Address: _____

_____

Contact Person: _____ Phone Number: ( ) _____

Medical Record Number: _____

REASON FOR HEALTH CARRIER DENIAL (Please check one)

_____ The health care service or treatment is not medically necessary.

_____ The health care service or treatment is experimental or investigational.

SUMMARY OF EXTERNAL REVIEW REQUEST (Enter a brief description of the claim, the request for health care service or treatment that was denied, and/or attach a copy of the denial from your health carrier)*

_____

_____

_____

*You may also describe in your own words the health care service or treatment in dispute and why you are appealing this denial using the attached pages below.

EXPEDITED REVIEW

You may request that your external appeal be handled on an expedited basis if a delay would seriously jeopardize the life or health of the patient or would jeopardize the patient's ability to regain maximum function. To complete this request, your treating health care provider must fill out the attached form: Certification of Treating Health Care Provider for Expedited Consideration of a Patient's External Review Appeal.

Is this a request for an expedited appeal? Yes _____ No _____

SIGNATURE AND RELEASE OF MEDICAL RECORDS

To appeal your health carrier's denial, you must sign and date this external review request form and consent to the release of medical records.

I, _____, hereby request an external appeal. I attest that the information provided in this application is true and accurate to the best of my knowledge. I authorize my insurance company and my health care providers to release all relevant medical or treatment records to the independent review organization and the Nebraska Department of Insurance. I understand that the independent review organization and the Nebraska Department of Insurance will use this information to make a determination on my external appeal and that the information will be kept confidential and not be released to anyone else. This release is valid for one year.

_____ _____

Signature of Covered Person (or legal representative)* Date

*(Parent, Guardian, Conservator or Other – Please Specify)

2 of 2

ASSIGN THE PROVIDER AS THE AUTHORIZED REPRESENTATIVE

Appointment of Authorized Representative

(Fill out this section only if someone else will be representing you in this appeal.)

You can represent yourself, or you may ask another person, including your treating health care provider, to act as your authorized representative. You may revoke this authorization at any time.

I hereby authorize _____ to pursue my appeal on my behalf.

_____ _____

Signature of Covered Person (or legal representative)* Date

*(Parent, Guardian, Conservator or Other—Please Specify)

Address of Authorized Representative: _____

_____

Phone Number: Daytime ( ) _____ Evening ( ) _____

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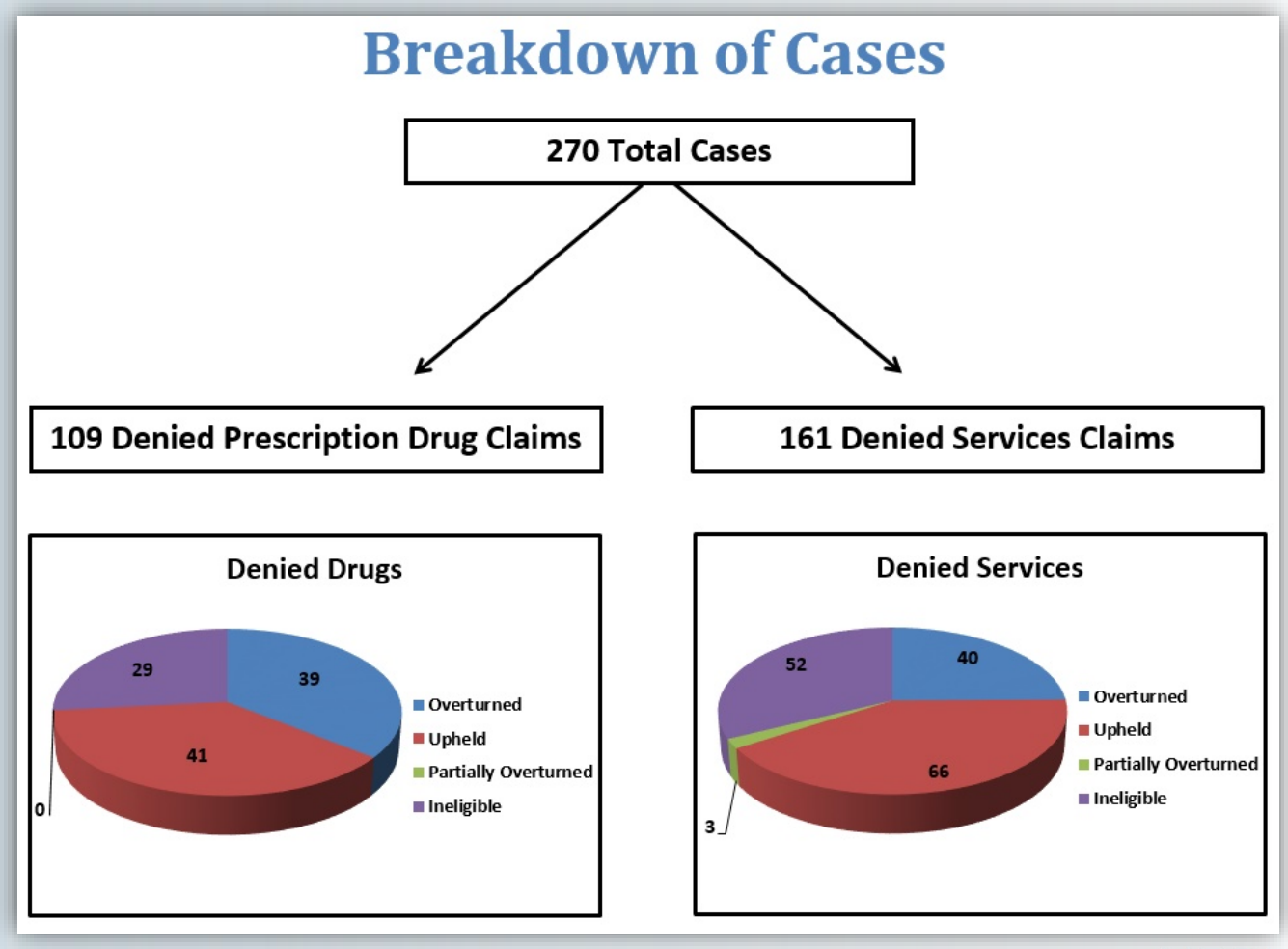
2017 EXTERNAL REVIEW BY THE NUMBERS



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MOST DENIED DRUGS

1. (IVIG)/Privagen/Octogam (Intravenous Immunoglobulin infusions)
   - 5 cases overturned
   - 2 cases upheld
   - 3 cases ineligible
2. Injections/epidurals/spinal block/anesthesia
   - 3 cases overturned
   - 4 cases upheld
   - 2 cases ineligible
3. Otezla
   - 2 cases overturned
   - 4 cases upheld

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MOST DENIED SERVICES

1. Genetic/Genomic Testing
   - 6 cases overturned
   - 15 cases upheld
   - 7 cases ineligible
2. MRI/CT/PET/Internal Imaging
   - 5 cases overturned
   - 10 cases upheld
   - 1 case partially overturned
   - 4 cases ineligible
3. Spinal surgery
   - 2 cases overturned
   - 6 cases upheld
   - 3 cases ineligible

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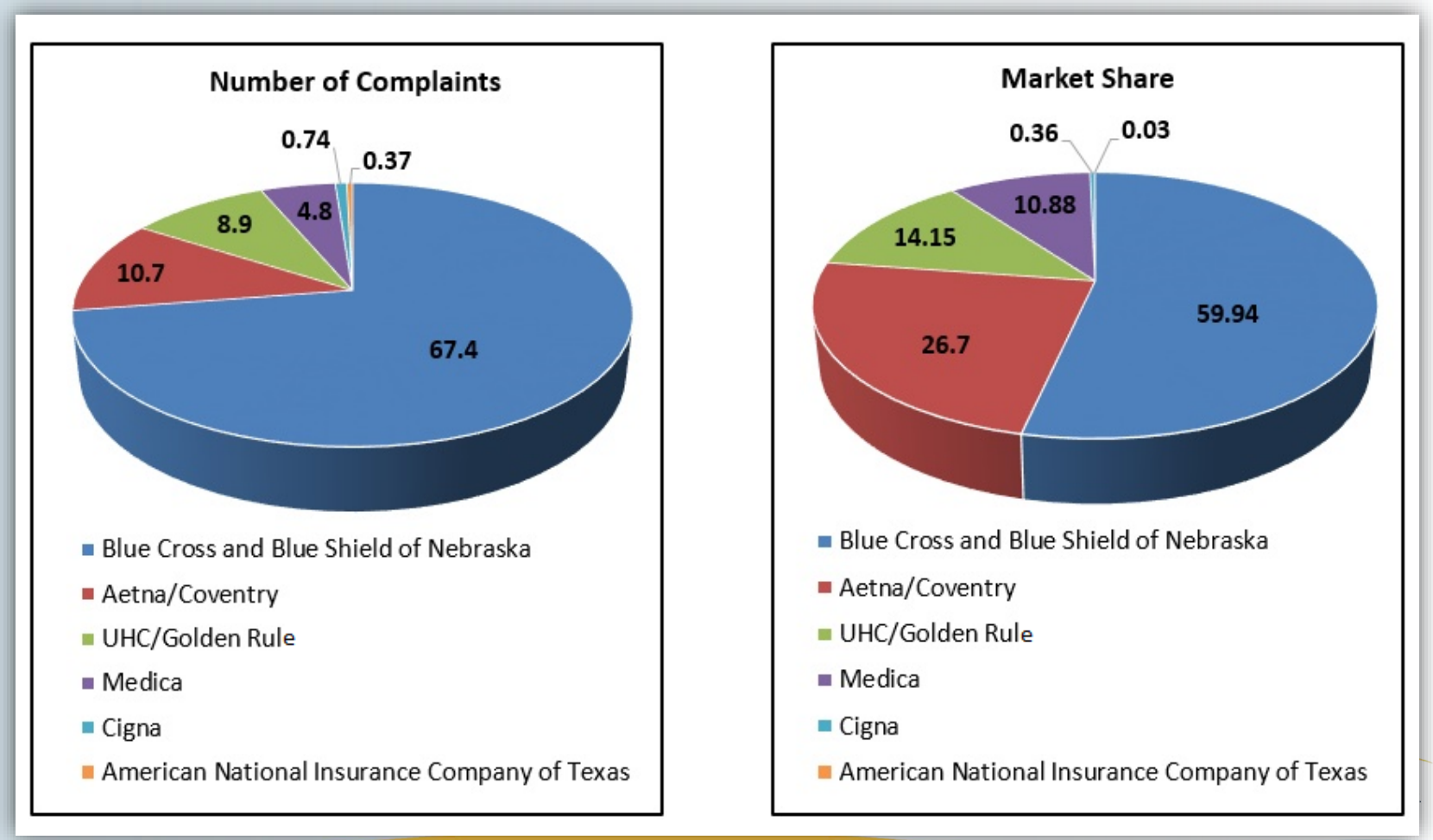
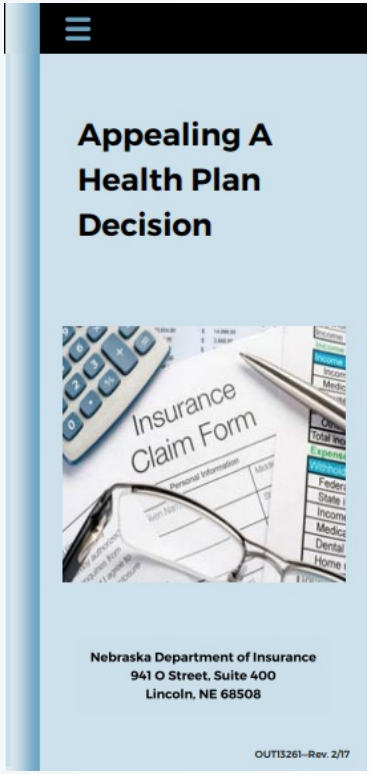
2017 Market Share Compared to Number of External Review Request Complaints



HEALTH CLAIM DENIAL RESOURCES

- Appealing A Health Plan Decision Brochure
  - Available on our website: https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/AppealingAHealthPlanDecisionRevised.pdf
- Test Your Knowledge
  - Denied Health Claim Quiz
  - https://doi.nebraska.gov/faq



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CONSUMER ISSUES BY TYPE OF INSURANCE

PROPERTY AND CASUALTY INSURANCE:

- **Roofs** (*whether replacement is warranted*) **& Siding** (*matching*)
- **Valuation of autos**
- **Comparative negligence**
- **Cancellations/Non-renewals**
- **Work Comp Premium Audits** *Companies adding salaries of "subcontractors/independent contractors" to general contractors' payroll for purposes of calculating work comp premiums, law does not require subs to carry work comp if they have no employees, but sometimes there are employees, and sometimes the "subcontractor/independent contractor" is really an employee.*

LIFE AND HEALTH INSURANCE:

- **Cost of coverage**
- **Contract exclusions**
- **Marketing misrepresentations**
- **Marketplace-related concerns**
- **Network issues**

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REMINDERS TO CONSUMERS

- Exercise caution when responding to unsolicited calls from individuals selling “cheap alternatives to major medical health insurance.” Consumer Alert: https://doi.nebraska.gov/alert/limited-benefit-medical-insurance-plansmini-med-plans
- Carefully read all correspondence from insurers and CMS and contact the DOI Consumer Affairs Division when issues arise, rather than waiting.
- Check out the NAIC’s Life Insurance Policy Locator service. This has already proven to be a great benefit to consumers in Nebraska.
  - https://eapps.naic.org/life-policy-locator/#/welcome
  - As of April 1, 2017, the Policy Locator had matched nearly 1,800 beneficiaries with lost or misplaced life insurance policies or annuities totaling more than $17 million returned to consumers.

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REMINDERS TO CONSUMERS

- Take steps to guard against identity theft. Nebraska DOI consumer alert at https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertIdentityTheft.pdf
- Take responsibility for reviewing homeowners policies and understanding the coverage.
  - Many insurers have added wind/hail deductibles to HO policies ("*a wind/hail deductible is expressed as a percentage of the dwelling limit, rather than as a flat dollar amount*") or they've changed roof coverage to provide actual cash value rather than replacement cost coverage.
  - We've had a number of complaints from policyholders who failed to notice the changes made on renewal. Companies/agents need to notify policyholders, but under the law, policyholders have responsibility for reading their policies. We touch on this in an alert: https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/BeforeTheStorm-Don%27tWaitUntilItsTooLate_0.pdf

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REMINDERS TO CONSUMERS

- Read our Post Loss Assignment Consumer Alert https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertPostLossAssignments.pdf before assigning proceeds to a contractor.
- If you use a coupon to pay at the pharmacy, be aware that the amount the coupon covered is probably not going to count toward your deductible. Most health insurance does not count you as having paid money that you received from a third party, for example, drug coupons.

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REMINDERS TO CONSUMERS

- Pay your premiums on time. For ACA individual coverage, you don't get another opportunity to get a policy until open enrollment the next year if your policy is cancelled for nonpayment.
- Your only option may be, if you are cancelled, a short term duration plan. If so, you are subject to underwriting and your existing medical conditions may not be covered.
- Please read your bills carefully and to contact the carrier if you have questions. Always check your account to make sure that, if you have a direct payment from it, that it is being taken out on time.
- A smart consumer is a vigilant consumer.

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QUESTIONS?

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CONTACT INFORMATION

- Martin.Swanson@Nebraska.gov, 402-471-4648
- Laura.Arp@Nebraska.gov, 402-471-4635
- Maggie.Reinert@Nebraska.gov, 402-471-1432

- Department of Insurance web site: https://doi.nebraska.gov/
- Consumer Affairs Hotline 402-471-0888 or (in-state only) 877-564-7323
- Online complaint form: https://doi.nebraska.gov/consumer/consumer-assistance
- External review request form: https://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/Chapter87ExternalReviewForms.pdf

- Find Us on Social Media:
  - Facebook: @NDOIHealth
    - https://www.facebook.com/NDOIHealth/
  - Instagram:@ndoihealthdivision
    - https://www.instagram.com/ndoihealthdivision/
  - Twitter: @NDOIHealth
    - https://twitter.com/NDOIHealth

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