

EXHIBIT NO. 17
DATE 3.27.13
BILL NO. SB 383

Introduction

Senate Bill 383 gives the Montana Commissioner of Securities and Insurance the ability to enforce changes to health insurance policies that benefit consumers. Some of these changes went into effect for health insurance policies upon issue or renewal after September 23, 2010. Others will go into effect on January 1, 2014. Some provisions may not apply if the plan was in effect on March 23, 2010 and is considered a grandfathered plan. Certain changes made to the health plan will trigger loss of grandfathered status.

SB 383 Consumer Protections

Prohibit Preexisting Condition Exclusions [ACA Implementation: 2014]

Health plans may not exclude, limit or deny coverage for any individual by imposing a preexisting condition exclusion.

Prohibit Lifetime Limits and Annual Limits [ACA Implementation: 2010]

Health plans may not establish an annual dollar limit for "essential benefits." Health plans may not establish a lifetime limit on coverage of essential health benefits.

Prohibit Rescissions of Coverage [ACA Implementation: 2010]

Health plans may no longer declare policies invalid from the date of issue due to a mistake by an applicant about health information submitted in the application for coverage. Rescissions can only occur if an insured intentionally misrepresented material facts that relate to their health. This provision applies to all coverage.

No cost-sharing for Preventive Services [ACA Implementation: 2010]

Health plans may not require a co-payment, co-insurance, or deductible for preventive health services. "Preventive services" is defined on page 7 of the bill. This provision does not apply to grandfathered plans.

Pediatricians as Primary Care Physicians [ACA Implementation: 2010]

Health plans that require covered individuals to choose a primary care provider must allow the choice of any available PCS and must allow the choice of pediatricians for children and OB/GYN providers for women.

Extend Dependent Coverage to Age 26 [ACA Implementation: 2010]

Health plans that offer dependent coverage must offer coverage to the dependent until they reach age 26, regardless of marital status. This provision applies to all coverage.

Guaranteed Availability/Guaranteed Issue [ACA Implementation: 2014]

Insurers can no longer reject individuals for coverage on the basis of their health status or preexisting conditions in the individual and small employer group health insurance markets. Health insurers operating in those markets must accept all applicants.

Insurers in the individual market may restrict new enrollment to an open enrollment period that coincides with the open enrollment period in the exchange. In 2014, the open enrollment period is October 1, 2013 to March 31, 2014. In future years, the open enrollment period will be shorter.

There will be "special enrollment" periods for certain events, such as marriage, birth, adoption and loss of employer health insurance coverage.

Prohibition of Health Status Discrimination [ACA Implementation: 2014]

Insurers may not reject or rate-up individuals on the basis of health conditions in the individual or group health insurance markets. Insurers may not require genetic testing or underwrite on the basis of genetic information. Insurers may not exclude coverage for pre-existing conditions.

Restrictions Relating to Premium Rates [ACA Implementation: 2014]

Insurers must maintain a risk pool for each market in each state where they do business: one for all of their individual health insurance business and one for all of their small employer group business. The risk pool must include all the business sold in that market in that state, regardless of whether the coverage was sold inside or outside the exchange. Rates for individuals can vary only by age (3:1), tobacco use (1.5:1), family composition and geographic rating area.

Comprehensive Health Insurance Coverage Requirements [ACA Implementation: 2014]

All insurers in the individual and small employer group markets must ensure that the essential health benefits package is covered in all non-grandfathered health insurance plans. The essential health benefits categories are named in the definition in Section 29.

All coverage must meet an actuarial value level of platinum (90/10), gold (80/20), silver (70/30), or bronze (60/40). Catastrophic plans can be offered to individuals under 30 years old or to individuals for whom coverage has been determined to be "unaffordable." (More than 8 % of their household modified gross income.) Insurers operating inside the exchange must offer at least one gold plan and one silver plan.

Coverage for Participation in Clinical Trials for Life-Threatening Conditions [ACA Implementation: 2014]

Insurers must continue to pay for costs for routine care while an insured is participating in an approved clinical trial for a life-threatening disease.

Mental Health Parity [ACA Implementation: 2014]

All health insurers in all markets must provide a level of benefits for the necessary care and treatment of mental health and chemical dependency that is no less favorable than the level provided for other physical illness.

Preemption

Throughout this bill, state law that is now preempted by operation of federal law has been stricken or repealed. Federal law controls over state law that falls below the federal floor.