



Connecticut Insurance Department

Health Insurance Regulatory Overview

Presentation For the Governor's Sandy Hook Commission

March 22, 2013



Mission

The 1871 legislation that created the Connecticut Insurance Department began:

“The Mission of the Insurance Department is to protect the consumer...”

CID Mission: Protect – Regulate – Educate - Advocate



CID Regulatory Scope

CID has regulatory authority over:

Commercial Insurance – individual and group

CID does NOT have regulatory authority over:

Self-funded plans (U.S. DOL)*

Medicaid (DSS)

Medicare (CMS)

*CID has oversight of 3rd-party administrators (TPAs) of self-funded plans, but not plan design/benefits



CT Population Coverage*

Fully insured – 1.1 million (CID regulatory oversight)

Self-insured – 1.3 million (U.S. DOL)

Medicaid – 600,000 (DSS)

Medicare – 300,000 (CMS)

Uninsured – 300,000

*(Estimates based on CID managed care report, data from DSS & U.S. Census Bureau data)



CID Life & Health Division

- Approves all policies, forms & products before they can be sold in Connecticut
- Requires that policies meet all state and federal requirements, including mental health parity compliance
- Reviews all rates actions annually



Consumer Affairs Unit

All consumers covered under fully insured plans issued in Connecticut are protected under the authority of the Insurance Department

- Receives, reviews and investigates consumer complaints and inquiries
- Offers deep subject matter expertise
- Supports consumer in navigating claims process
- Assists in appealing denials of services to the carrier for further review and advises consumers of their right to an expedited review when the issue is of an urgent nature
- Shepherds consumer through independent External Review if unsuccessful with carrier's internal appeals process
- Conducts outreach in CT communities



External Review Program

- Administered through the CT Insurance Department for policyholders of fully insured plans and state of CT employees
- Consumers can appeal disputes related to medical necessity
- Program uses Independent Review Organizations (IRO)
- All IROs are unaffiliated with the insurance companies
- IRO must assign a reviewer who is a Clinical Peer*
- Carrier must immediately approve payment if consumer wins appeal
- Program has overturned 30- 40 percent of denials reviewed

*Expert in treatment of the insured's medical condition and holds a license and certification in the specialty that is the subject of the review.



Market Conduct - Enforcement

- Staff of 18 MC/Fraud examiners
- Monitors carriers' claims activity of health insurers, HMOs & utilization review vendors
- Works closely with Consumer Affairs Unit to monitor complaints, spot trends
- Performs targeted reviews of a specific company on specific mental health or other issues as warranted
- Will conduct data calls in 2013 to review mental health parity compliance
- Market Conduct and Consumer Affairs returned nearly \$22 million to state Connecticut policyholders and General Fund since 2010.
- All sanctions – penalties, corrective action – fully transparent and on CID Web site.



Enforcing Mental Health Parity

State vs. Federal law

- State law identifies quantitative measures for coverage
 - ✓ Financial limits must be equal
 - ✓ Visit limits must be equal
- State law prohibits any policy with terms that place a greater financial burden for access to mental health services
- Federal laws identifies quantitative and non-quantitative measures
 - ✓ Relate to medical management & medical necessity
 - ✓ Lack of clarity in Federal interim rules (2010) for non-quantitative
 - ✓ Federal regs. require comparable services except when “clinically appropriate standards permit difference”



Regulatory Challenges

Enforcement & Expertise

- HHS final guidance still pending on mental health parity
- CID does not have medical expertise/authority to regulate medical protocols/delivery
- CID does consult with UCHC on questions of medical necessity denials
 - ✓ 11 protocol referrals since 2008
 - ✓ Health insurance benefit review program since 2009



Delivery System Business Model

- Many behavioral health providers are out-of-network
- Non-contract provider not bound by provisions that prohibit billing consumer for non-authorized services (i.e. balance billing)
- Many providers require up front payments by families
- Burden on family to assemble medical documents for reimbursement



CID 2013 Actions

- Revising Claims Appeals Guide to be more user-friendly
- Expanding outreach & education
- Market Conduct issuing data calls to enforce MHPAEA compliance
- Continued collaboration with Legislature, Governor's Sandy Hook Commission, other State agencies
- Active participation of State Innovation Model team to address work force and delivery
- UConn Health Center collaboration to reduce initial denials



CID & UConn Collaboration

- Developing template for BH claims reimbursement from commercial carriers
- Plain language
- Designed to help families and practitioners reduce number of initial payment denials, which are ultimately overturned



Insurance is Complex, Commitment To Protect Consumer is Not

After 142 years, mission of CID remains the same:

“The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices.”