

VOTER GUIDE:

Office of State Insurance Commissioner

As a purchaser of health insurance, what are my rights and protections?

Whom can I contact if I feel my insurer has treated me unfairly?

How will my health coverage options change now that the new law has passed?

Who can help me navigate the new system?

Will I be protected against skyrocketing health insurance premiums?

If it happens to me, will I have any form of recourse?

ON ELECTION DAY, GEORGIA VOTERS WILL HEAD TO THE POLLS TO ELECT OUR STATE'S POLICYMAKERS. MOST VOTERS ARE FAMILIAR WITH CERTAIN ELECTED OFFICES, LIKE THAT OF GOVERNOR, BUT MANY GEORGIANS MAY BE UNAWARE OF THE IMPORTANCE, OR PERHAPS EVEN THE EXISTENCE, OF THE OFFICE OF STATE INSURANCE COMMISSIONER.

The Insurance Commissioner runs the Georgia Department of Insurance and is elected every four years in a statewide vote. Among the core functions the Department of Insurance performs is the regulation of health insurance in Georgia. With the recent enactment of the new health care law, the role of the Insurance Commissioner has expanded. Our next Insurance Commissioner's decisions will play an important role in shaping Georgia's health insurance system for consumers in 2011 and well into the future.

Quality, affordable health coverage optimizes the health and wellbeing of Georgia's children and families and ensures a healthy, productive workforce to grow our state's economy. While the Insurance Commissioner alone is not responsible for the health of Georgia constituents, he or she will be one of a key group of elected and appointed state officials who together will implement different components of the new health law to maximize benefits for Georgians.

SURVEY RESULTS

BECAUSE OF THE IMPORTANCE OF THE INSURANCE COMMISSIONER'S ROLE, FOUR COMMUNITY ORGANIZATIONS HAVE SURVEYED ALL THREE CANDIDATES FOR GEORGIA'S INSURANCE COMMISSIONER AND HAVE PUBLISHED THEIR RESPECTIVE RESPONSES IN THEIR ENTIRETY. PLEASE REVIEW THE QUESTIONS AND RESPONSES, WHICH CAN SERVE AS A GUIDE IN MAKING A DECISION AS YOU HEAD TO THE POLLS IN JUST A FEW SHORT WEEKS.

How do you plan to hit the ground running on day one as Georgia's new Insurance Commissioner?

With the passage of the new health law, in what ways have the duties and responsibilities of State Insurance Commissioner changed?

The Insurance Department is responsible for enforcing health insurance consumer protections. How would you define your role in educating consumers on their rights?

How will you organize your office to ensure that the necessary infrastructure, staff skill set, and administrative systems are in place to successfully implement and enforce health insurance regulations and consumer protections?

The new health law includes a range of provisions that will require enhanced communication and collaboration between state agencies. For example, Georgia must implement a "no wrong door" policy to streamline enrollment into Medicaid, Peach Care, and the private insurance plans available on the exchange as appropriate. How will you collaborate with the Department of Community Health and the Department of Human Services to implement processes such as this?

There is a requirement in the new health law that state officials consult with consumer stakeholders when designing the health insurance exchange. How would you ensure that the consumer perspective is incorporated into the development and implementation of the exchange?

Do you expect a residual individual health insurance market outside the new health insurance exchange to remain? If so, how will it differ from the market inside the exchange? What are your plans for regulating and overseeing that market?

Georgia was one of only a handful of states that did not apply for a grant from the Department of Health and Human Services to review proposed insurance premium increases, known as rate review. As you step into your new post, how will this decision impact your work as Insurance Commissioner?

SHANE BRUCE (L)

If by some strange alignment of the moon and the stars I am elected in a clean win on 2 NOV 10 as Georgia's Commissioner of Insurance I plan to perform the following actions:

- » Perform a quick yet thorough review of all personnel records at the Office of the Commissioner of Insurance
- » Examine any permits, licences or other statements issued by the outgoing commissioner during the last 120 days and determine which need to be revoked
- » Lockdown all department records for the last 16 years for an ultra comprehensive review
- » Move the office furniture around
- » Put every picture of John Oxendine up for auction on Ebay

As a directly elected constitutional officer, it is impossible to say. Our current Governor has instigated action seeking to have ObamaCare overturned in the courts, which seems to me to be a forlorn hope. Even as I write this, the federal government, insurance providers and a host of "shareholders" in the industry in Georgia are busily cutting up the ObamaCare pie. Hopefully the current Commissioner has players at the table that will be able to provide an up to date briefing on the festivities thus far. As a Libertarian I will always use the smaller government, lower taxes, more freedom lens to view and frame each issue that confronts us. I will always default to Liberty.

The first order of business will be to educate the citizens of Georgia on what the boys and girls down to the statehouse have been up to for the last several years, hell, decades. Front and center will be Georgia's insurance premium tax followed by our atrocious Health insurance mandates and then we'll look for the third tier items, perhaps the high incidence of uninsured motorists traveling on the highways and byways of our great state. Mayhap the lack of staff at the Fire Safety office. There are buckets of issues to examine.

After I dispose of Oxendine's senior appointees, I will set to the task of identifying, recruiting and placing my own team. A lean and agile team focused on carrying out the mission statement of the Office of the Commissioner in world class fashion. We live in an age of wonder with technology undreamed of just 5 years ago. Under my watch, the department will adopt "Best of the Rest" techniques and methodologies an deliver superior service while expending a fraction of the resources currently used.

My actions in complying with the requirements of ObamaCare will be governed by the success or failure of Georgia's court action. In the interim, the commissioners office will deal directly with our sister agencies to provide the best possible service for the citizens of Georgia in attaining and maintaining access to health care providers.

"Stake Holder" consulting is already underway for the establishment of the federal high risk pool. There will be winners and losers in that series of negotiations, if elected I will do my utmost to ensure that the citizens of Georgia do not wind up in the "Losers" column like they did with our Health Care Mandate system or our Insurance Premium Tax. From my reading of Georgia insurance blogs, the give and take is already quite fierce.

If ObamaCare is not overturned in the courts or repealed by the next session of Congress, I do not expect the insurance market in Georgia in the future to look anything like it does now. Insurance is not charity, it is a profit driven business that is not capable of operating in a zero profit environment. I suspect that if ObamaCare survives the challenges it faces it will result in the total devastation of the small market insurance companies of Georgia. Sort of like what happens when WalMart comes to town.

Obviously we'll have less resources to deal with the rate review requirement, but we will deal with it none the less. Unlike my opponent Ralph Hudgens, I do believe that the rate review process at the commissioners office serves a vital function for the citizens of Georgia. The needs of the citizenry will be served.

RALPH HUDGENS (R)

Experience separates me from all the other candidates. I have served fourteen years in the legislature—the last six as Chairman of the Senate Insurance Committee. I have the relationships and the know-how to be an effective advocate for consumers at the Capitol. I own four small businesses and understand the importance of insurance and how to protect the Georgia consumer. In the first Bush Administration, I served as the State Director of a large agency in the US Department of Agriculture giving me the necessary administrative experience. Georgia can't afford to place a "novice" in this important position.

I am deeply concerned about the new federal health care take over. It is obvious that the Democrats just do not fundamentally believe in the power of the marketplace and consumer choice. Under the health care bill, nameless regulators within Health and Human Services (HHS) are defining the practical limitations of the influence of state regulators. I suspect it will take some time before the exact impact on the duties and responsibilities of the State Insurance Commissioner is adequately known. One fact is certain; the battle against an expansionist federal government is far from over. I look forward to working alongside Governor Deal and Attorney General Sam Olens to battle Obama Care and the myriad of other schemes that will come out of Washington in the next few years.

The Office of Insurance Commissioner plays a major role creating a healthy insurance marketplace and assisting and educating consumers. Informed consumers are able to evaluate and freely choose products that meet their needs and thereby keep insurers working to provide better service and affordable products. I will champion consumer education. I am troubled by the increase in incidents of insurance fraud in Georgia. Insurance fraud is far from a victimless crime; lives are shattered and destroyed. I am committed to aggressively battling insurance fraud.

I plan to establish advisory committees on each of the core functions within the Office of Insurance Commissioner. All stakeholders will have a seat at the table including professionals and consumers. This is a time of change and if Georgia is to successfully adapt to these changes it cannot operate without meaningful input from outside the walls of government.

Regardless of the issue any successful collaboration begins with establishing trust, defining terms and agreeing on goals. During my time in the legislature I have built strong working relationships with the professionals within the various state agencies and I look forward to continuing my partnership with them in the role of Insurance Commissioner.

Georgia (through the Governor's Office of Planning and Budget) has been awarded a \$1,000,000 Exchange Planning Grant to fund a Georgia Health Benefit Exchange Feasibility Study. The Governor's Office (both the current and future administrations) will be conducting this study and will be forming an Exchange Work Group to carry out the activities of the Feasibility Study and an Exchange Advisory Committee to obtain the input of key stakeholders, including consumers or consumer representatives.

The Governor's Office has appropriately asked the Insurance Commissioner's Office to provide its expertise once the Study formally begins and as Insurance Commissioner I would ensure that my office provides a fair and balanced perspective that includes the interests of consumers. On that note, it is my understanding that the Advisory Committee process will include large group meetings, focus groups, web-based surveys, and that website and email notices will also be used to keep stakeholders and the general public informed, and I will certainly support those efforts.

Yes, and I believe there should be a so-called "outside market" to preserve consumer choice. First, under the federal law, grandfathered plans—those plans existing at the time of enactment—cannot be sold through the Exchange. For that reason alone, there needs to be a residual market so that those who want to keep the coverage they have can do so. Likewise, Exchange plans will all have to include (as yet undefined) "essential benefits" and I believe a residual market would provide an important alternative to those not wishing to purchase a "one size fits all" plan through the Exchange.

As far as differences between the Exchange market and the outside market, a lot will depend upon decisions made in the coming years. However, we do know that individual purchasers will only be able to obtain premium subsidies within the Exchange. Also, under the federal law if a state requires an Exchange plan to include state mandates beyond those included in the federally required essential benefit package, they must be paid for by the state. Given the continuing budget challenges we face in Georgia, a residual market might actually be a place where consumers could obtain benefits that the State is unable to fund within the Exchange. So again, I think preserving choice is important.

I don't think it will impact my work at all. The office is still eligible to apply for a rate review grant in future funding cycles if it makes sense to do so. However, as the current administration noted, Georgia law does not generally provide for the prior approval of health insurance rates but does give the Commissioner the authority to conduct a rate examination if an insurer's rates appear to be excessive, inadequate, or unfairly discriminatory, and I intend to appropriately exercise that authority under Georgia law.

MARY SQUIRES (D)

I will immediately implement a department-wide ban, to include the Commissioner, on lobbyist gifts, meals, trips, etc.

The Commissioner will be responsible for implementing the new rules and regulations, conducting rate reviews, making sure claims are paid in full and on time, and conducting fraud and abuse investigations for the act.

I will establish an around-the-clock customer service and crisis command center. Questions and crises do not happen just during business hours. We will be there to take consumer calls, answer questions, and guide consumers to a resolution.

Once elected, I will conduct a thorough review and make organizational decisions based on my findings. The department must be organized to protect consumers and provide a fair, competitive regulatory environment.

I will certainly work with both new department heads to mesh our programs. It will save time, save money and ultimately can save lives.

Consumers will be part of the implementation efforts. I will make sure consumers from all areas of the state and walks of life are included in the design of the exchanges.

It is too early to tell if there will be an individual health insurance market. No matter what the health insurance market, the goal is the same — to protect consumers and make sure the state provides sufficient, quality, low-cost products.

Rates will still need to be reviewed; only now the state will carry the entire financial burden of the reviews.

ROLE

of the Insurance Commissioner in Georgia

THE INSURANCE COMMISSIONER IS RESPONSIBLE FOR CONSUMER PROTECTION, FIRE SAFETY, AND REGULATION OF AUTO, HOMEOWNER'S, LIFE, BUSINESS, AND HEALTH INSURANCE. WITH REGARD TO HEALTH INSURANCE PLANS, THE INSURANCE COMMISSIONER MUST:

- Ensure that companies selling individual and group policies in Georgia are financially solvent and are honoring the claims incurred by the people and groups paying premiums; and
- Enforce state laws that stipulate the medical procedures, treatments, preventive health measures, and other benefits private insurers must include in the policies they sell in Georgia

UNDER THE NEW HEALTH LAW, THE INSURANCE COMMISSIONER'S ROLE AND RESPONSIBILITIES HAVE BROADENED IN THE FOLLOWING WAYS:

- Decisions made by the Insurance Commissioner will help determine whether Georgia will seek to maintain its own regulations on health insurers or pass much of that responsibility onto the federal government.
- Georgia recently decided not to create a state Pre-Existing Condition Insurance Plan (PCIP), or high risk pool for individuals with pre-existing conditions, and instead allowed Georgia consumers to access the federal PCIP. The PCIP is set to expire in 2014, at which point insurers will be prohibited from denying coverage to applicants based on pre-existing conditions or carving out those conditions from coverage. The Insurance Commissioner is responsible for overseeing Georgia's implementation of this new rule.
- The Insurance Commissioner is a member of the National Association of Insurance Commissioners (NAIC), the body charged with developing a range of model rules, standards, and definitions for implementation of the new health care law. Many of these new rules and standards are currently being negotiated. For example, beginning on September 23rd of this year, insurers were forbidden from denying coverage to children with pre-existing conditions. Some insurers chose to withdraw from the child-only market, and in response the Secretary of Health and Human Services is now working with the NAIC and individual state insurance commissioners to clarify rules in this area.
- Georgia consumers will be eligible to purchase a health insurance plan—and access substantial tax credits that lower the cost of the premium for that plan, depending on their income level—through a new marketplace, known as a health insurance exchange. Health insurance exchanges must be up and running in every state by 2014.
- Federal officials, insurance company executives, and the National Association of Insurance Commissioners are negotiating the essential health benefits that insurers will be required to include for plans sold within the exchange. Once these rules are enacted, the Insurance Commissioner will monitor compliance by insurers and guarantee that consumers are treated fairly in any appeals process they undergo if their claims are denied.
- Between now and 2014, when the exchange is up and running, the U.S. Department of Health and Human Services is requiring private insurers to justify premium increases to federal and state officials. If premium hikes are deemed to be “unreasonable,” the Insurance Commissioner has the authority to exclude such companies from participating in Georgia's insurance exchange.



AS A GEORGIA HEALTH CARE CONSUMER AND VOTER, WE HOPE YOU UTILIZE THE INFORMATION ABOUT THE SCOPE OF RESPONSIBILITIES UNDER THE PURVIEW OF THE GEORGIA INSURANCE COMMISSIONER AND THE CANDIDATES' SURVEY RESPONSES CONTAINED WITHIN THIS PUBLICATION AS AN EDUCATIONAL RESOURCE.

In an effort to provide you with clear information about each candidate's approach to the health care issues over which they will have regulatory authority, we have published each candidate's response in its entirety.

The four organizations that collaborated on this publication, Georgians for a Healthy Future, Voices for Georgia's Children, the American Diabetes Association, and the National Multiple Sclerosis Society—Georgia Chapter, would like to thank the candidates for their thoughtful and thorough responses to this survey.

For additional information or to obtain additional copies of this report, please contact

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