

STAFF MEASURE SUMMARY

CARRIER: Sen. Shields

Senate Committee On Health Care

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 04/29/15

**Action:** Do Pass The A-Eng Bill.

**Meeting Dates:** 04/29

**Vote:**

Yeas: 5 - Knopp, Kruse, Monnes Anderson, Shields, Steiner Hayward

**Prepared By:** Zena Rockowitz, Committee Administrator

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**WHAT THE MEASURE DOES:**

Directs Department of Consumer and Business Services (DCBS) to convene a stakeholder work group to consider modifying the standard for rate review process. Specifies issues to be reviewed. Directs DCBS to make a preliminary decision to approve, disapprove or modify a rate filing; to notify the insurer of preliminary decision; and to make public the preliminary decision. Establishes a grievance process if insurer does not agree with decision and specifies that DCBS is to issue an order of the decision no later than 30 days following preliminary decision, and outlines how the order shall be processed.

**ISSUES DISCUSSED:**

- Formal process to appeal rates set by Insurance Commissioner is lengthy
- New dialogue and process for insurers and persons adversely affected by preliminary decisions
- Consumer and insurer access to information on preliminary rate proposal
- Simultaneous acceptance of modified rate while pursuing an appeal

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Currently, the Department of Consumer and Business Services (DCBS) establishes health benefit plan rate filing timelines and processes, primarily on the Affordable Care Act (ACA) requirements. The current rate review process proceeds as follows: insurers submit rate filing at least 60 days before proposed effective date; the rate filing request is posted on website; information submitted with the rate request is considered public information; website posting triggers a 30-day public comment period and 40-day timeline for the Insurance Division to review the filing and issue a decision (decision is due 10 days from close of the comment period); and DCBS summary explains the decision.

House Bill 2605-A directs DCBS to convene a work group to consider modifying the standard for rate review filings, to notify the insurer and the public of the preliminary decision, to establish a grievance process for an insurer or any person adversely affected or aggrieved by the preliminary decision and specifies how the decision order will be processed.