

The logo features the letters 'SCAHP DOI' in a large, blue, serif font. The letters 'S', 'C', and 'A' are positioned on the top line, while 'H', 'P', 'D', 'O', and 'I' are on the bottom line. A teal-colored outline of the state of California is overlaid on the letters, with the outline following the shape of the letters. The background is a light gray gradient with a white arrow-like shape pointing to the right.

SCAHP DOI

WHERE PROTECTION & REGULATION MEET

SCAHP Annual Conference
Thursday, December 2, 2021

Today's Topics

- Health Insurance Market
- Pharmacy Benefits Managers
- The SCDOI
- No Surprises Act
- Long-Term Care
- SHIP

Individual Market

Key Points:

- Four insurers writing on the exchange:
 - Absolute Total Care, Inc.; Blue Cross and Blue Shield of South Carolina, Inc.;
Bright Health Insurance Company; and Molina Healthcare of South Carolina, Inc.
- Rates are relatively flat- Two of the four insurers decreased rates.
- At least two carriers are offering coverage in all 46 counties; 37 counties have at least 3 carriers; 7 counties have 4 carriers.

By the Numbers:

- Average rate increase for 2022 is 3.06%.
- Cumulative rate increase since 2014 is 94% .
- Open enrollment ends January 15, 2022.

By the Numbers:

- 232,450 lives covered
- 91% receiving premium assistance
- 37% receiving premium assistance and cost sharing assistance

By the Numbers:

Date	Covered Lives
June 2, 2014	98,835
June 2, 2015	167,997
June 2, 2016	216,616
June 2, 2017	183,506
June 2, 2018	182,557
June 2, 2019	188,215
June 2, 2020	192,005
June 2, 2021	228,560
November 2, 2021	232,450

Small Group Market

Availability Continues to be a Concern:

- Three main insurers:
 - Aetna Health Insurance Company
 - Blue Cross and Blue Shield of South Carolina
 - UnitedHealthcare Insurance Company
- Seven underwriting companies

By the Numbers:

- Average rate increase for 2022 is 4.18%
- Cumulative rate increase since 2014 averages 58.55%

PBMs

PBMs:

- The Department established the Office of PBM Oversight to implement the provisions of the South Carolina Pharmacy Benefits Managers Licensure Act.
- The PBM program became fully functional on January 1, 2021.

PBMs:

- The Department created with the NAIC and the National Insurance Producer Registry (NIPR) a PBM license. Currently thirty-six (36) PBMs are licensed in SC.
- The first license renewal period for PBMs in South Carolina began on December 1, 2021. All PBM licenses must be renewed through the Office of PBM oversight by March 1, 2022.

PBM Complaints:

The Department has received 46 complaints:

- Three complaints have been validated and the pharmacies have received recoupment.
- We identified two entities that were not licensed in the industry and issued fines accordingly.

Examples of Complaints:

- Below cost reimbursement to the pharmacy for *Maximum Allowable Cost (MAC)*.
- PBM network access issues for pharmacies.

SCDOI

Recent Changes at the Department

- Three deputies promoted from within:
 - Diane Cooper – Licensing and Consumer Services
 - Michael Wise – Actuarial and Market Services
 - Dan Morris – Financial Regulation and Solvency

Fraud Division

Insurance Fraud:

- Insurance Fraud is on the rise as people seek out opportunities to make a quick buck.
- South Carolina ranks 10th nationally in questionable medical claims; 6th nationally in staged accident claims; and 10th nationally in questionable commercial claims.

Key Points:

- The Fraud Unit at the DOI is currently working under a MOU between the DOI, the Attorney General, and SLED.
- Insurance Fraud Bill (H 3586) would make the Fraud Unit at the DOI permanent.
- Joshua Underwood is leading the team.
- We also have hired two other attorneys and a paralegal.

No Surprises Act

Key Points:

- Signed into law December 2020. Effective January 1, 2022 for most provisions.
- Forbids patients from receiving surprise medical bills when seeking emergency services or certain services from out-of-network providers at in-network facilities.
- Holds patients liable for their regular in-network cost-sharing amount only.

Key Points:

- Allows providers and insurance companies to negotiate reimbursement separately including through an independent dispute resolution process.
- Requires providers and health plans to help patients access accurate healthcare cost information.

Increases Transparency

- Requires insurers and providers to maintain up-to-date provider directory information.
- Requires insurers to disclose in-network and out-of-network deductibles and out-of-pocket limits.
- Requires insurers and providers to provide patients with good-faith cost estimates in advance of medical services.

Air Ambulance

- If you are serviced by an out-of-network air ambulance, you can only be charged the in-network cost-sharing amount.
- Specifically, you cannot be presented with a “balance bill” for the difference between in-network and out-of-network cost sharing.

Long-Term Care

Long-Term Care

- The NAIC is continuing its focus on the challenges facing the long-term care insurance industry.
- This is a very hard issue facing both consumers and companies.
- Many companies historically underpriced their products and are now trying to make adjustments to maintain their profits.
- These rate increases threaten to price out many people who have consistently paid their premiums for many years.

Long-Term Care

- The NAIC formed the Long-Term Care Insurance Task Force in 2019 focusing on nationwide LTCI rate increase coordination and consistency.
- The Task Force is continuing to work with industry leaders and regulators across the country to find solutions that are fair to the consumer and recognize the solvency concerns of the LTC insurers.

SHIP

Key Points:

- In January 2020, SHIP was placed into rehabilitation by the Commonwealth Court of Pennsylvania.
- SHIP has a deficit of \$1.2 billion, but it has not yet been placed in liquidation. No policies written since 2003.
- The appointed rehabilitator has created a plan that usurps the authority of regulators to protect the policyholders in their states.

Key Points:

- The Plan gives state regulators two options: opt in or opt out.
- We have voiced our opposition at Pennsylvania's attempt to avoid state law and force elderly 87-year-old policyholders to shoulder the burden of the insolvency.
- We also have a state court action pending in the Richland County Court of Common Pleas to try to protect the policyholders in South Carolina.



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