

WISCONSIN STATE  
LEGISLATURE  
COMMITTEE HEARING  
RECORDS

**2005-06**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on  
Agriculture and  
Insurance  
(SC-AI)**

File Naming Example:

Record of Comm. Proceedings ... RCP

- 05hr\_AC-Ed\_RCP\_pt01a
- 05hr\_AC-Ed\_RCP\_pt01b
- 05hr\_AC-Ed\_RCP\_pt02

COMMITTEE NOTICES ...

- Committee Hearings ... CH (Public Hearing Announcements)
- \*\*
  
- Committee Reports ... CR
- \*\*
  
- Executive Sessions ... ES
- \*\*
  
- Record of Comm. Proceedings ... RCP
- \*\*

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INFORMATION COLLECTED BY COMMITTEE  
CLERK FOR AND AGAINST PROPOSAL

- Appointments ... Appt
- \*\*

Name:

- Clearinghouse Rules ... CRule
- \*\*

- Hearing Records ... HR (bills and resolutions)
- **05hr\_sb0617\_SC-AI\_pt01**

- Miscellaneous ... Misc
- \*\*

## Vote Record Committee on Agriculture and Insurance

Date: 3-1-06

Moved by: Kapanke      Seconded by: Olsen

AB \_\_\_\_\_ SB 617 Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

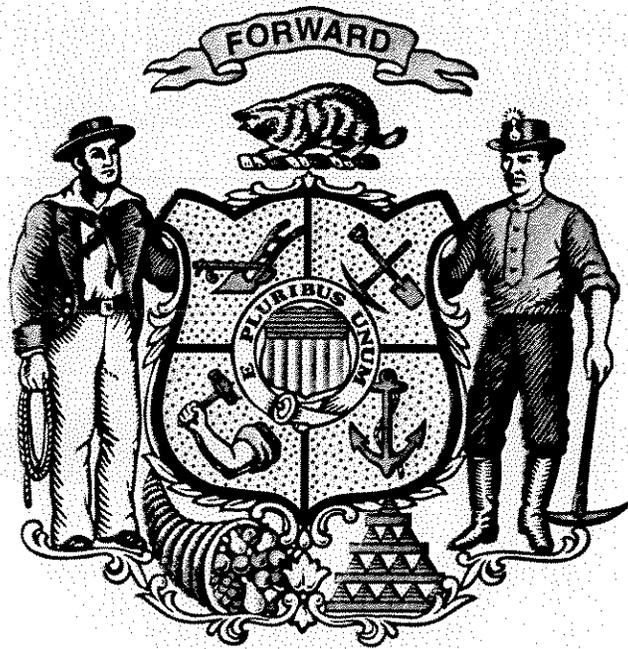
Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage       Adoption       Confirmation       Concurrence       Indefinite Postponement  
 Introduction       Rejection       Tabling       Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Dan Kapanke, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ronald Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Luther Olsen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Mark Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>7</u>	<u>0</u>	_____	_____

Motion Carried       Motion Failed





**Van Natta, Lori**

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**From:** Perlich, John H.  
**Sent:** Wednesday, March 01, 2006 11:26 AM  
**To:** Bruce, Cory; Burhop, Sarah; Duerkop, Nathan; Huber, Grant; Johnson, Kelly; Knutson, Tryg; Lipp, Elizabeth; Little, Kevin; Lovell, David; Phillips, Matt; Smith, Heather; Smyrski, Rose; Van Natta, Lori; Wagnitz, John; Zehren, David  
**Subject:** SB 617 Exec

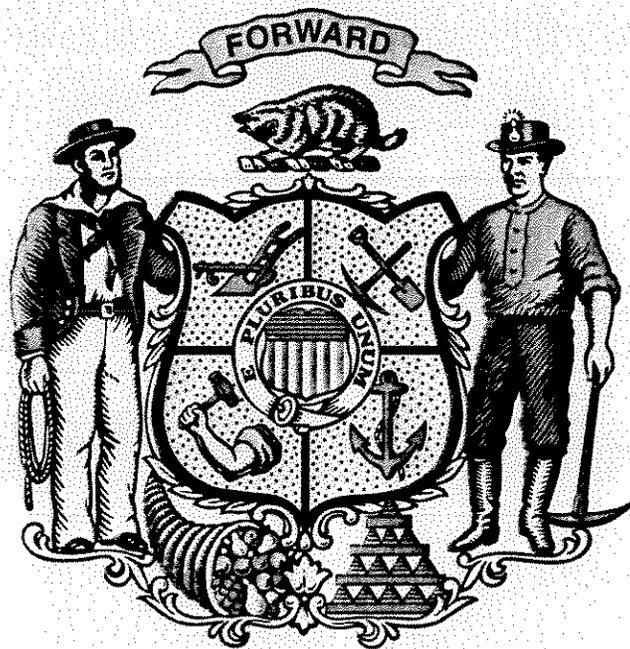
Good morning,  
The Senate Committee on Agr and Ins has left the role open for amended SB 617. Please check with your bosses as to how they would like to vote. There were two motions.

The first was for introduction and adoption *Aye*

The second was for passage as amended *Aye*

Please let Senator Kapanke's office know by 2ish today.

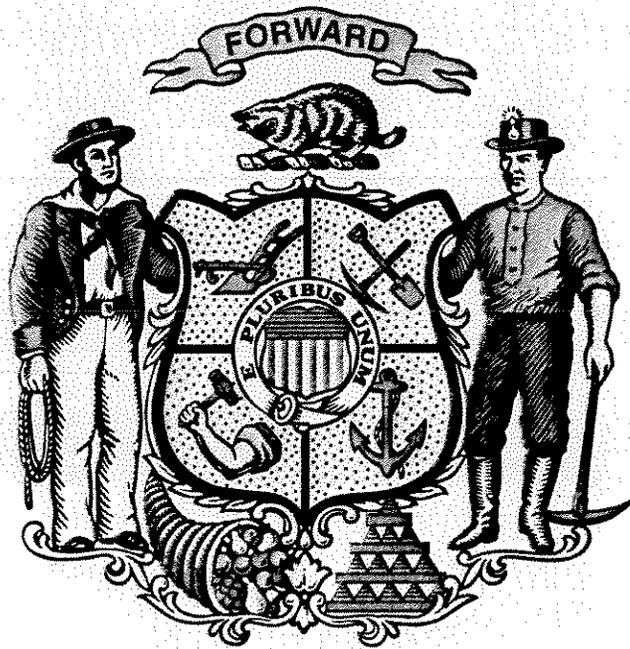
Thanks,  
John



## Summary of Ten PPO Complaints

Office of Commissioner of Insurance  
1 March 2006

- Case 1: An individual was injured at home in the area of a prior surgery. There appeared to be complications from damage to the surgical area. The person called the physician who did the surgery and was told to come to the physician's office at the hospital because that was where the records and specialty equipment was located. The individual went online to confirm the physician was in plan [he was]. The individual called the plan customer service and they also confirmed that the physician was in plan. **PPO refused payment because the physician was in plan but not at that location. In denying claim PPO advised person to call customer service to verify the physician was in network – exactly what the person had done!**
- Case 2: Person treated at ER at "in network" hospital. **Payment denied because the treating ER physician was not "in network."**
- Case 3: Patient checked the providers for a gallbladder surgery. Patient had no control over anesthesiologist but PPO denied payment because not in network.
- Case 4: Child hit by motorcycle and dragged 50 feet. Seen initially at closest ER but transferred due to level of trauma. **PPO only paid 60% because trauma ER was out of network.**
- Case 5: Heart attack victim seen at local ER but transferred same day because local ER unable to provide appropriate care. Patient held in ICU and surgery performed next day to implant 3 stents. **PPO refused payment because although local ER could not provide appropriate care the second facility was out of network.**
- Case 6: Policy stated that patients should use a particular ER as it was in network. **PPO refused payment because although the ER was in network but the ER physician was not.**
- Case 7: Couple purchased policy and received PPO list dated October 2000. Patient used an in network facility [according to PPO provided list] but PPO denied payment because PPO's contract with facility was terminated in September 1999. **PPO supplied provider list that was over a year out of date then denied coverage when patient relied on PPO supplied information.**
- Case 8: Primary physician [in network] set up surgeon appointment for patient in clinic affiliated with in network hospital. PPO notified that day of immediate surgery being scheduled for next day. Patient was not told the physician was out of network. Surgery was performed the following day in network hospital by specialist from affiliated clinic. **PPO refused payment because neither the specialist nor the affiliated clinic were in network.**
- Case 9: A parent in a family covered by a PPO required surgery. They set up surgery at an in network hospital with in network providers. **PPO only made partial payment because the amount charged was "over maximum allowed fee."**
- Case 10: Individual received treatment for back pain at "in network" clinic and was recommended to continue physical therapy at the rehabilitation center which, because of space shortage in the clinic, was in another location. **Patient called PPO and was assured that there was 100% coverage after the co-pay. PPO refused full payment because therapy was provided at a different location.**



**Perlich, John H.**

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**From:** Sen.Robson  
**Sent:** Thursday, March 02, 2006 1:54 PM  
**To:** \*Legislative Senate Democrats; \*Legislative Senate Republicans; \*Legislative Assembly Democrats; \*Legislative Assembly Republicans  
**Subject:** Insurance Commissioner's Analysis of SB617/AB1052  
**Attachments:** AB 1052memo 30206 0611.Doc

The Insurance Commissioner's office asked me to forward the attached analysis of SB 617/AB 1052 to all legislators. The Insurance Commissioner remains opposed to the legislation, but supports changes to the administrative rules that were agreed upon by the Joint Committee for Review of Administrative Rules.



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor  
Jorge Gomez, Commissioner

Wisconsin.gov

March 2, 2006

125 South Webster Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-3585 • Fax: (608) 266-9935  
E-Mail: information@oci.state.wi.us  
Web Address: oci.wi.gov

To: Members, Wisconsin Legislature

From: Jorge Gomez, Commissioner of Insurance

Subject: Comparison of AB 1052, as proposed to be amended, to OCI's consumer protection rule (ch. INS 9, Wis. Adm. Code), as affected by JCRAR action

AB 1052 remains a fatally flawed proposal which will not achieve the stated goal of protecting consumers. The following summarizes the most prominent areas where AB 1052, as amended, will deny or limit consumer access to preferred provider plan covered care compared to OCI's rule as affected by JCRAR March 1, 2006 action:

- **AB 1052, as amended, allows an insurer to restrict the providers available under a preferred provider plan to a primary care provider and a physician specializing in obstetrics and gynecology. The proposed legislation appears to allow preferred provider plans to deny enrollees access to treatment by other providers on an in-panel basis, including by in-panel specialists, except to a specialist in obstetrics and gynecology. Cardiologist, pulmonary specialists, and urologist are a few of the specialist that are among the provider types not**

OCI'S CH. INS 9 rule requires an insurer to have adequate participating providers, including all types of specialists, to provide covered benefits within usual medical travel times within the community norms and sufficient number and type of all types of participating providers to adequately deliver all covered services. This would include the services of specialist physicians. Cardiologists, pulmonary specialists, and urologists are a few of the many types of providers that are omitted by the bill

JCRAR: Affirmed OCI's rule.

- **AB 1052, as amended, allows an insurer to cover only 50% of charges for off-panel care not otherwise excluded by separate policy deductibles and copays. The proposed legislation allows the insurer to apply these substantial percentage reductions in coverage for off-panel care without giving the consumer any notice at the time of sale.**

OCI'S CH. INS 9 rule allows a preferred provider plan to limit its coverage to less than 60% (but not less than 50%) but only if the insurer gives prominent notice to the consumer of the very limited off-panel coverage at the time of sale and in policy information provided to the enrollee.

JCRAR: Affirmed OCI's rule

- **AB 1052, as amended, allows an insurer to apply, without restriction, higher deductibles and copays to off-panel care. This reduction in coverage for off-panel care is in addition to the coinsurance reduction (described above) of up to 50%. The proposed legislation allows an insurer to apply these substantially higher deductibles and copays without giving the consumer any notice at the time of sale.**

OCI'S CH. INS 9 rule also permits insurers to apply a separate higher policy deductible and copay to off-panel care but it:

- Requires the insurer to give prominent notice to the consumer of the separate, higher, off-panel deductibles and copays at the time of sale and in the policy information provided to the enrollee.
- Places maximum limits (at a very high level that gives insurers significant flexibility) on separate off-panel deductibles and copays that ensure at least some minimum level of off-panel coverage is available.

JCRAR: Affirmed OCI's rule.

- **AB 1052, as amended, allows an insurer to reduce its percentage of covered off-panel charges to a percentage that is up to 40% lower than the percentage coverage for in-panel care. The proposed legislation allows an insurer to apply the substantial higher coinsurance percentage to off-panel care without giving the consumer any notice at the time of sale.**

OCI'S CH. INS 9 rule also allows a preferred provider plan to reduce its percentage coverage of off-panel care charges by up to 40% but requires the insurer, if the percentage difference is more than 30%, to give the consumer prominent notice at the time of sale of the very limited off-panel coverage.

JCRAR: Affirmed OCI's rule.

- **AB 1052, as amended, allows an insurer to give inconspicuous notice of significant restrictions on off-panel coverage. The insurer is required only to include a general and inconspicuous statement somewhere in its marketing material. The insurer is not required to provide even this inconspicuous statement at the time of sale and not required to include the statement in the coverage information issued to enrollees. (The bill drafting file indicates the words "prominent" and "conspicuous" were intentionally omitted.)**

OCI'S CH. INS 9 rule requires an insurer to give the consumer a prominent and informative notice at the time of sale and also in coverage information issued to enrollees. The notice required by OCI's rule includes significant information omitted in the proposed legislation, such as a warning that the enrollee may be billed for off panel provider charges excluded from coverage, including charges in excess of usual and customary charges.

JCRAR: Affirmed OCI's rule.

- **AB 1052, as amended, allows an insurer to give inconspicuous notice to a consumer in its provider directory that an enrollee will have a significantly reduced level of coverage for off-panel ancillary provider services provided relating to an in-panel procedure or operations such as the services of an anesthesiologist, radiologists, pathologist or laboratory provided in support of the procedure. Off-panel ancillary provider participation in an in-panel procedure often dramatically increases the enrollee's uncovered expenses.**

OCI'S CH. INS 9 rule requires an insurer to give prominent notice to consumers in its provider directory that use off-panel ancillary providers to support an in-panel procedure will reduce covered expenses.

JCRAR: Affirmed OCI's rule.

- **AB 1052, as amended, relieves the insurer of any responsibility to ensure an enrollee patient knows whether off-panel ancillary providers are participating in an in-panel procedure or operation.**

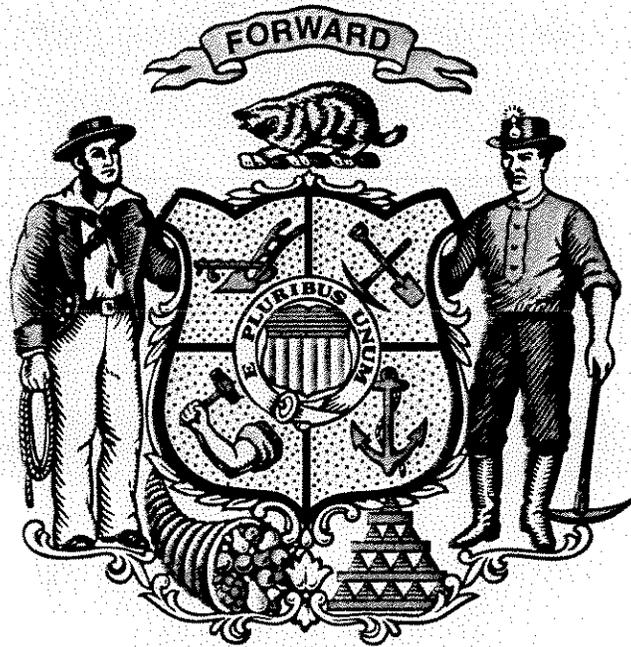
OCI'S CH. INS 9 rule requires that the enrollee patient must be told at the time of scheduling the non-emergency procedure whether participating ancillary providers are off-panel. This allows the enrollee patient to select the lowest cost providers to perform a procedure.

JCRAR: Suspended this portion of the rule, but scheduled for reconsideration in January, 2007 and asked Wisconsin Hospital Association to commit to work with OCI and other interested parties to develop an effective alternative. OCI committed to proceed with that process.

- **AB 1052, as amended, allows insurers to limit coverage of charges incurred for off-panel emergency treatment. The legislation allows an insurer to apply off-panel coverage limits for emergency treatment that the insurer determines is not required to stabilize the patient.**

OCI'S CH. INS 9 rule prohibits an insurer from applying off-panel coverage limits to any portion of charges for emergency treatment.

JCRAR: Suspended this portion of the rule, but invited OCI to re-promulgate with a minor modification.



## **Preferred Providers Network Proposal --Senate Bill 617 (As Amended)**

A proposed insurance regulation, Ins 9, attempted to implement consumer protections for Wisconsin consumers who purchased PPO's. However, the proposed rule failed to recognize how these plans work, which potentially would have eliminated them from the marketplace. That result would have meant less consumer protection - not more, as 60% of consumers purchase PPO plans in Wisconsin.

In an effort to strengthen consumer protections, yet ensure the continued viability of PPO plans, we urge you to support legislation that recognizes the importance of PPO plans, yet enhances the strong oversight of insurance plans marketed in Wisconsin. This bill implements the very ideas found in Ins 9, but preserves the PPO marketplace.

### **Senate Bill 617 will help enhance consumer protections by:**

#### **Sets a Minimum Coverage Level for Out-of-network Benefits.**

For consumers who wish to see non-participating providers, a co-insurance floor, and maximum coinsurance differential is established by law. This bill codifies plans that OCI currently approves -- establishing a bottom line that insurances must provide at the minimum level of coverage for these plans to be considered a preferred provider plan.

- 40% co-insurance differential minimal **and**
- 50 % or less is paid by the insure for co-insurance.

#### **Establishes and Clarifies the Access Requirements for PPO's.**

This ensures that consumers have access to primary care providers and that OB/GYN services are available for female enrollees. However, it does not unnecessarily require PPO's to interfere with a doctors business operation.

The issue of OB/GYN coverage was expanded in the amendment so ensure that a woman needing specialized care during her pregnancy would have access to that type of physician- specifically an OB/GYN physician.

#### **Enhances Consumer Disclosure on In-network Providers.**

It would require PPO's to alert enrollees about certain providers who may not be included in the network, before the consumer buys the PPO plan.

#### **Increase Consumer Awareness about Defined Network Plans.**

Most defined network plans provide coverage out of network. However, some consumers are unfamiliar with how these plans work. This bill would require the OCI to publish a guide to help better educate consumers about these plans.

In addition, the bill requires insurance plans to have in their marketing material an explanation of how the plan works and what services are covered if they purchase the plan. The brochures must be written in simple, easy to understand terms.

The Commissioner claims that consumers will not know what is covered in their health plan, which is why we amended the bill to require PPOs to use "laypersons language" on their marketing material or substantially similar language outlined in REQUIRED NOTICES section of the bill.

**Protects Consumers from Insurers Who Might Try to Deny Care.**

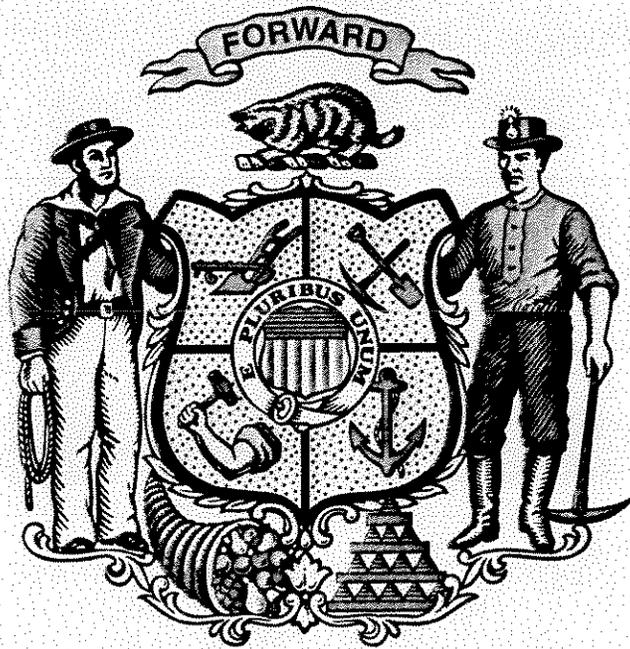
This bill prohibits plans from denying care just because the doctor or hospital may not be a participating provider.

**Guarantees Emergency Care Access.**

It's impossible for consumers to choose participating providers during a real emergency. This bill demands that these consumers not be penalized by coverage the costs of an emergency as if they were seeing an in network provider.

**Preserves the PPO market by appropriately regulating PPO's.**

This bill recognizes the importance of PPO's to the 1.5 million Wisconsin consumers they serve and is vitally important to the rural areas of the state. It properly enforces consumer protection laws that PPO's must comply with acknowledging the differences between a preferred provider organization, health maintenance organization and a point of service plan.



**Perlich, John H.**

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**From:** Rep.Nischke  
**Sent:** Thursday, March 02, 2006 7:39 AM  
**To:** \*Legislative Everyone  
**Subject:** Memo from Rep Nischke on AB 1052 and SB 617  
**Attachments:** 2006-03-02 Memo to Legislators Fr Nischker RE AB 1052 as amended.pdf; WPPO Response to OCIs 2-21-06 memo.pdf

TO: MEMBERS & STAFF  
 WISCONSIN STATE LEGISLATURE

From: Representative Ann Nischke, Chair  
 Committee on Insurance

**RE: Assembly Bill 1052 and Senate Bill 617 (As Amended by Committee)**

In an effort to strengthen consumer protections and ensure the continued viability of Preferred Provider Organizations (PPO) in Wisconsin, I have introduced AB 1052 (SB 617) along with Senator Dan Kapanke.

As you know, a clearinghouse rule by the Office of the Commissioner of Insurance (OCI) affecting rule INS 9 was promulgated and a public hearing and subsequent committee objection was made. Working with different groups, we worked to further clarify the legislative intent of that INS 9 is derived from relating to specific issues raised.

**Specifically Assembly Bill 1052 and Senate Bill 617 will help enhance consumer protections by:**

- ▶ **Setting a Minimum Coverage Level for Out-of-network Benefits.** For consumers who wish to see non-participating providers, a co-insurance floor and maximum coinsurance differential is established by law.
- ▶ **Establishing and Clarifying the Access Requirements for PPO's.** This ensures that consumers have access to primary care providers and that OB/GYN services are available for female enrollees. However, it doesn't unnecessarily require PPO's to interfere with a doctors business operation.
- ▶ **Enhancing Consumer Disclosure on In-network Providers.** It would require PPO's to alert enrollees about certain providers who may not be included in the network, before the consumer buys the PPO plan.
- ▶ **Increasing Consumer Awareness about Defined Network Plans.** Most defined network plans provide coverage out of network. However, some consumers are unfamiliar with how these plans work. This bill would require the OCI to publish a guide to help better educate consumers about these plans.
- ▶ **Protecting Consumers from Insurers Who Might Try to Deny Care.** This bill prohibits plans from denying care just because the doctor or hospital may not be a participating provider.

► **Guaranteeing Emergency Care Access.** It's impossible for consumers to choose participating providers during a real emergency. This bill demands that these consumers not be penalized.

**Assembly Bill 1052 and Senate Bill 617 will preserve the PPO market by:**

► **Appropriately Regulating PPO's.** This bill recognizes the importance of PPO's to Wisconsin consumers. It properly enforces laws that PPO's must comply with, while providing greater guidance to insurance regulators.

**Amendment by Committee:**

In response to issues raised by the healthcare industry, the respective committees included an amendment to add greater clarity as to the intent of the original legislation.

First, an issue was raised relating to obstetrics and gynecology physician (OB/GYN) coverage. Working with Representative Sheldon Wasserman, we have included in part 5 of the amendment, clarifying language. In an email, Representative Wasserman has let us know that this satisfies the concerns raised.

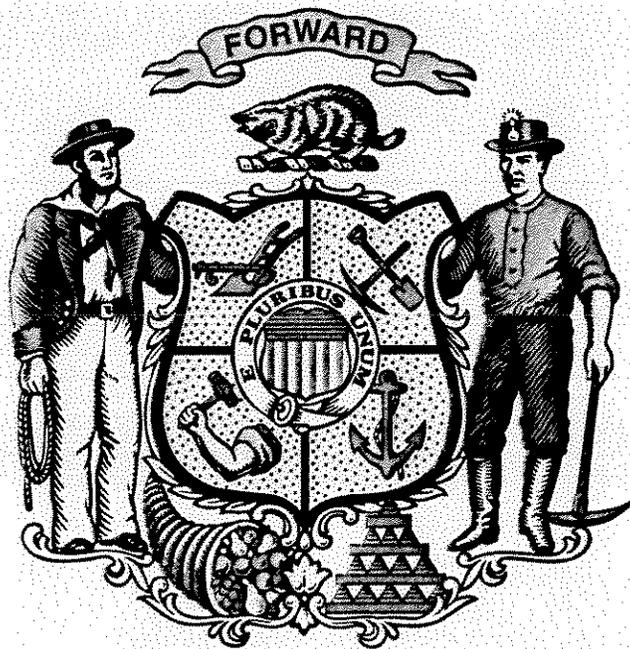
Second, issues were raised by the Wisconsin Association of Health Plans (WAHP) relating to a notice requirement mostly included in the part of the bill that deals with ss 609.20 and 609.23. Working with WAHP, this amendment in parts 1 to 4 and 6, seeks to better improve the issues raised by WAHP. WAHP has communicated to my office that this change improves this part of the bill as amended.

**Concerns Raised by the Administration:**

The administration also raised several concerns they say with the legislation. The amendment along with the attached response by the state PPO group adequately responds and makes adjustments to this legislation.

Thank you in advance for your consideration and thank you in advance for your support of this important pro consumer bill.

AMN:ASP





www.RepNischke.com

TO: MEMBERS & STAFF  
WISCONSIN STATE LEGISLATURE

From: Representative Ann Nischke, Chair  
Committee on Insurance

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- ▶ **Enhancing Consumer Disclosure on In-network Providers.** It would require PPO's to alert enrollees about certain providers who may not be included in the network, before the consumer buys the PPO plan.
- ▶ **Increasing Consumer Awareness about Defined Network Plans.** Most defined network plans provide coverage out of network. However, some consumers are unfamiliar with how these plans work. This bill would require the OCI to publish a guide to help better educate consumers about these plans.
- ▶ **Protecting Consumers from Insurers Who Might Try to Deny Care.** This bill prohibits plans from denying care just because the doctor or hospital may not be a participating provider.

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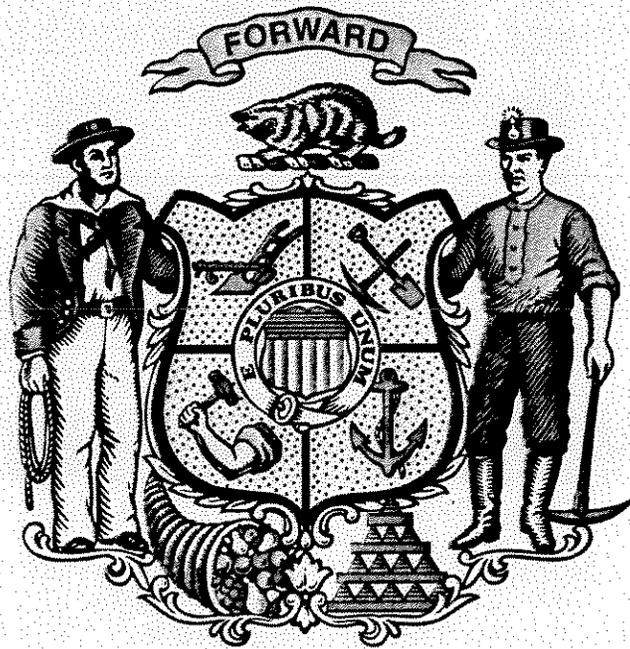
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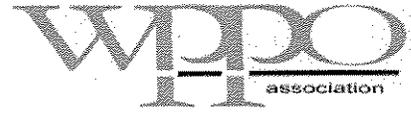
**Concerns Raised by the Administration:**

The administration also raised several concerns they say with the legislation. The amendment along with the attached response by the state PPO group adequately responds and makes adjustments to this legislation.

Thank you in advance for your consideration and thank you in advance for your support of this important pro consumer bill.

AMN:ASP





## WPPO's Response to OCI's Concerns of February 21<sup>st</sup>, 2006

### **BULLET POINT 1 (on page 1).**

**OCI Concern:** The proposed legislation allows insurers to deny female enrollees in-panel access to OB/GYN

**WPPO Response:** Drafting error. Amendment corrects to allow female enrollees OB/GYN access. [Attached, please see Representative Wasserman's Response. Also see Assembly Amendment 1, item 2].

### **BULLET POINT 2 (on page 2)**

**OCI Concern:** The proposed legislation allows insurer to cover only 50% co-insurance, without consumer notice.

**WPPO Response:** Currently, OCI already allows 50% plans to be marketed in Wisconsin. Many insurers have large populations of insureds who have purchased such plans. OCI stated that a notice should be published due to large number of complaints by consumers who didn't know there was a reduction in off-panel care. However, after reviewing OCI documents, there are only a total of 10 complaints against PPO's in a 6 month period of time that were not resolved to the satisfaction of the consumer. None of the 10 complaints were about consumers not knowing there was a reduction in off-panel care. [Attached, see PPO Review of Complaints]

In addition, this legislation does require PPO's to have no less than 50% coverage for off-panel, just as OCI currently allows, and as they proposed in Ins 9. [See AB 1052, Section 15, 609.35 (1)(b)]

Lastly, this legislation does require PPO's to inform consumers about off-panel coverages, even though there appears to be no complaints by consumers about this issue. [See AB 1052, Section 13, 609.23 & Assembly Amendment 1, item 3]

### **BULLET POINT 3 (on page 2)**

**OCI Concern:** Proposed legislation allows higher deductibles and co-pays to off panel care, without consumer notice.

**WPPO Response:** OCI raised this very concern about higher deductibles and co-pays at the Assembly Insurance Committee, Senate Insurance Committee and JCRAR. In each of these hearings, the committees voted (in bipartisan fashion) to require the OCI to make changes to the rule. This issue was one of those possible changes brought up during the hearings. In addition, and similar to Bullet Point 2 above, there are little, if any, complaints brought up about this issue. Finally, this legislation does require some form of a notice. [See AB 1052, Section 13, 609.23 & Assembly Amendment 1, item 3]

### **BULLET POINT 4 (on page 2)**

**OCI Concern:** Proposed legislation allows off-panel coinsurance to be 40% less than in-panel, and without consumer notice.

**WPPO Response:** Again, please see Bullet Point 2 above. This 40% is current practice and allowed by OCI. OCI Rule would also allow 40% differential. There is little, if any, complaints about consumers being uninformed of this benefit reduction. Finally, this legislation does require some form of a notice.

**BULLET POINT 5 (on page 2)**

**OCI Concern:** Proposed legislation allows insurer to give inconspicuous notice of restrictions on off panel coverage.

**WPPO Response:** This is the same concern they raised in Bullet Point 2, 3 & 4. As we stated in those same bullet points, there is simply no evidence to support that consumers are unaware of these off panel charges. [Attached, see PPO Review of Complaints] In addition, even without such evidence of widespread problems, this legislation does provide a form of notice about off panel charges. [See AB 1052, Section 13, 609.23 & Assembly Amendment 1, item 3]

**BULLET POINT 6 (on page 3)**

**OCI Concern:** Proposed legislation requires HMO's to include notice about off panel coverage.

**WPPO Response:** Drafting Error. Amendment corrects by removing HMO's from this provision. [Attached, please see Nancy Wenzel's Response. Also see Assembly Amendment 1, item 1].

**BULLET POINT 7 (on page 3)**

**OCI Concern:** Proposed legislation allows insurer to give inconspicuous notice on off panel ancillary providers.

**WPPO Response:** The same notice wording in OCI Rule is included in this legislation. The only difference between what the OCI wanted in the OCI Rule, versus the provision in this legislation is that it allows for insurer's to include substantially similar language, rather than exact language.

**BULLET POINT 8 (on page 3)**

**OCI Concern:** Proposed legislation relieves the insurer of any responsibility to inform enrollees about off panel ancillary providers.

**WPPO Response:** Insurer's are required to include provider directories showing in-panel providers. This legislation does not change that. It does, however, preclude the OCI from attempting to regulate health care providers. The Department of Health and Family Services is required to regulate such entities.

**BULLET POINT 9 (on page 3)**

**OCI Concern:** Proposed legislation allows insurer to limit coverage of charges for off-panel emergency treatment.

**WPPO Response:** This is simply false. This legislation includes the same provision the OCI Rule uses, except it adds a federal provision that addresses stabilization of the patient [found in section 1867 of the federal Social Security Act]. Furthermore, when we raised this issue with the OCI, they stated that they were obligated to conform with this same federal provision. [See OCI Rule, Ins 9.32 (2)(e) and AB 1052, Section 17, 609.82 (2)]

**BULLET POINT 10 (on page 3)**

**OCI Concern:** Proposed legislation exempts dental and vision plans.

**WPPO Response:** Correct. Original legislation and even the OCI rule never meant to include these plans. OCI provides no reason or argument as to why they should start including them.