



VIEW*S* & VISIONS

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Impact of the Patient Protection and Affordable Care Act on West Virginians

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Allan L. McVey was appointed West Virginia Insurance Commissioner by Governor Jim Justice on March 21, 2017.

As West Virginia Insurance Commissioner, McVey is responsible for the regulation of the insurance market, as well as the protection of insurance consumers. He believes in the mission of the West Virginia Insurance Commissioner's office: promoting a competitive and solvent insurance market with adequate consumer protection by fairly and consistently administering the insurance laws of West Virginia.

Prior to his appointment as West Virginia Insurance Commissioner, McVey was a licensed insurance agent who served in several capacities during his long tenure in the insurance industry in West Virginia. His experience includes a position as a Medical Claims Examiner with the West Virginia Workers' Compensation Fund, underwriter with a large national insurance company and, since 1976, a licensed insurance agent and broker with several firms, both local and national. His latest assignment included both sales and management of the West Virginia operations for a large national insurance brokerage firm.

McVey earned a bachelor of science degree in business administration from West Virginia State University and has several post-graduate insurance designations.

The health insurance market has undergone many changes since the passage of the Patient Protection and Affordable Care Act (PPACA), commonly referred to as the Affordable Care Act (ACA).

There are two basic types of health insurance coverage: private and public. Private health insurance is offered by insurance companies to individuals and businesses; public health insurance is offered by government agencies to agency employees, lower income citizens and elderly populations. In West Virginia, that includes the state's Public Employees Insurance Agency (PEIA), which serves both active employees and retirees, Medicaid, Medicare and the Children's Health Insurance Program (CHIP). These programs represent 64 percent of the total market here in our state.

Group self-insured plans are regulated by the U.S. Department of Labor under the Employee Retirement Income Security Act (ERISA) and account for 16 percent of the market. We still have approximately 104,000 West Virginians, or six percent, who are uninsured, compared

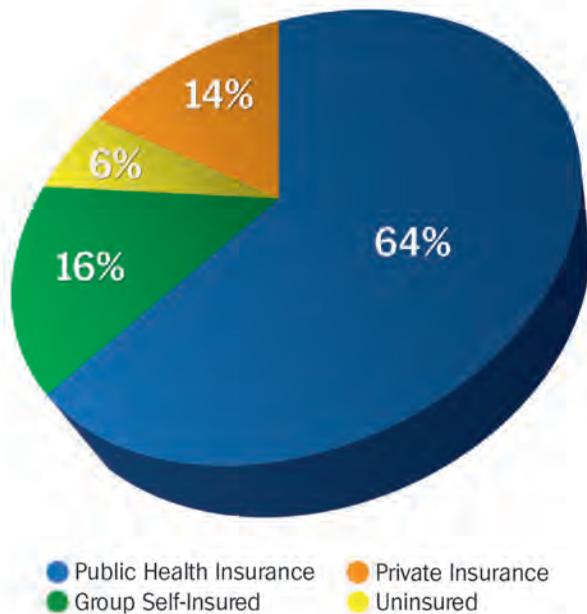
to the national percentage of uninsured, now at a record low of 8.8 percent of total U.S. population. This positive note is a good commentary on the law, as this is the third straight year of decline in the uninsured rate. That leaves about 14 percent of our population with private insurance plans, and that is the sector the Insurance Commission has direct regulatory control over, although we do assist others with questions and complaints.

The ACA was signed in to United States federal law on March 23, 2010. Its stated purpose is to increase the quality and affordability of health insurance, lower the uninsured rate by expanding public and private insurance coverage and reduce the costs of health care for individuals and the government. The law introduced mandates, subsidies and insurance marketplaces and requires insurance companies to cover all applicants within new minimum standards, offering the same rates regardless of pre-existing conditions or gender.

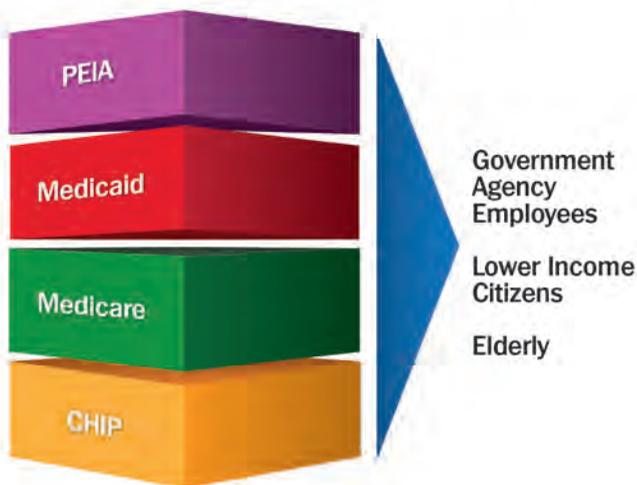
Some of the significant reforms of the ACA include having guaranteed issue; providing



Health Insurance Coverage in West Virginia



How West Virginia Public Health Insurance Stacks Up



Percentage of Uninsured Since ACA Passage



essential health benefits, which all West Virginia carrier plans provide; having advanced premium tax credits to help lower income individuals pay their health insurance premium and allowing dependents to remain on their parents' insurance until the age of 26. Other changes include having the individual federal marketplace platform at www.HealthCare.gov to purchase individual coverage, an expansion of Medicaid, which took effect here in West Virginia in 2014, and the lifting of lifetime dollar limits on essential health benefits.

Insurance companies are also prohibited from charging co-payments, co-insurance or deductibles for preventative care with a Level A or B rating from the U.S. Prevention Services Task Force. This should reduce costs in the system over time.

What will we see for insured West Virginians going forward? There is a great deal of uncertainty in the market right now, and several ideas are being debated here in West Virginia, in other states and at the federal level. Some would say the law is working and doing what we all wanted to accomplish; others will say it hasn't worked at all and that we should scrap it and start anew. Even others will say that there's always room for improvement, so perhaps we should just tweak the current law or replace it with another plan. Time will tell, but for now our office will continue to serve all West Virginians in accordance with the current law by providing guidance and assistance with this extremely complicated issue. √