

Medicare Advantage – A State Perspective

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State DOIs & CMS

- Common interests in Health Insurance Oversight
 - Assure high quality care
 - Promote market stability
 - Particular concerns with market conduct and marketing of insurance products

DOIs: Collaboration with CMS

- MOU
- Increased communication between states and Regional Offices (agent/broker complaints, sanctions, fraud investigations)
- White paper process
- NAIC dialogue with Central Office (broader information about policy decisions, etc)
- Increased utilization of expertise at state level
- Sharing of resources (NIPR, etc)

Problems in the Marketplace

- Widespread reports of marketing and sales abuses, particularly in the MA marketplace
- NAIC State Survey showed consistency of problems based on consumer complaints.

Problems in the Marketplace

- Inappropriate or confusing marketing practices leading Medicare beneficiaries to enroll in a MA plan without full understanding
- Concerns about provider networks, benefits, or status of traditional Medicare enrollment
- Inappropriate practices – door-to-door sales, cross-selling, unsuitable sales, high-pressure sales.
- Fraud
- Unlicensed agents

State Regulation and the MMA

Before MMA

State oversight of Medicare+Choice plans was retained except for:

- 1) Benefit Mandates;
- 2) Grievance and Appeals Procedures;
- 3) Rating Rules

After MMA

All State oversight of Medicare Advantage (and Part D) plans is preempted except for:

- 1) Solvency;
- 2) Licensing

States maintain authority for licensing and regulating agents/brokers selling Part C/D plans



Agent/Broker Marketing Concerns

- State regulators continue to retain authority over agents and brokers
- States can be challenged when trying to resolve broader marketing issues
- Cooperation between states and CMS has mitigated this challenge



Current Situation

- Problems are still ongoing.
- Despite the improvements made by MIPPA and the revised Marketing Guidelines, states still report marketing practices are being used by agents that states disapprove of.
- Consumer groups report that marketing problems are still widespread.

How can MA or Part D companies work with State Regulators?

- Respond to inquiries by state regulators – regarding agent/broker inquiries, as well as other inquiries.
- Assist us in resolving consumer complaints quickly.
- Consult with states, in addition to CMS.



NAIC Medicare Private Plans Subgroup

- Similar to Medigap approach:
- Made up of regulators, CMS, industry, consumers, experts, others.
- Sept. 2007 Subgroup held a public hearing (17 witnesses)
- Development of white paper for policy makers
- Can be found on NAIC website at:
www.naic.org/committees_b_senior_issues_medicare_private_plans.htm



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