

STATEMENT OF SCOPE

Office of the Commissioner of Insurance

Rule No.: Agency 145 – Ins 9.04 and 9.08 Wis. Admin Code

Relating to: Financial and other reporting requirement modifications for health maintenance organizations.

Rule Type: Permanent

1. Finding/nature of emergency:

NA

2. Detailed description of the objective of the proposed rule:

The Commissioner of Insurance is proposing to update and provide relief to health maintenance organizations (HMOs), and HMOs that write only Medicaid or dual eligible Medicaid and Medicare recipients only products in the state. The proposed rule will eliminate some filing requirements including filings a schedule of covered expenses, filing audit opinions of covered expenses, and separate insolvency protection filings, and update the language to reflect that limited service health organizations (LSHO) file the national association of insurance commissioners health blank form not a separate LSHO blank for their annual statements to the office.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Current requirements for this limited group of HMOs as been determined to be redundant, not current, or too onerous for the entities. None of the proposed changes will remove the office's regulatory oversight of these insurers but will relieve insurers from some requirements without risk to consumers.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Wisconsin statutes § 609.94 (2), provides that "the commissioner may, by rule, specify a form for providing the notice required under this section; § 609.96 (2), for initial capital and surplus requirements this paragraph provides that an HMO "shall have an initial expendable surplus or such other percentage as the commissioner specifies by rule promulgated or order issued;" and, § 609.97 (2), states that the "commissioner may require a greater amount or permit a lesser amount than is specified....by rule promulgated, or order issued..." Each of these sections provide the commissioner with authority to promulgate rules to ensure financial solvency, filing of annual statements on forms identified by the commissioner and regulating the financial aspect of HMOs. Additionally, the Commissioner has general rule-making authority under Wis. Stat. § § 601.41 and 227.11 (2) (a).

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

150 hours.

6. List with description of all entities that may be affected by the proposed rule:

Licensed HMOs and limited service health organizations will be affected by the proposed rule.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule :

There is no federal regulation that address the financial regulation of DNP serving Medicaid or Medicaid and Medicare dual eligible consumers that alters how the commissioner regulates these insurers.

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

Insurers affected by the proposed rule changes may experience a slight decrease in administrative costs as the proposals provide reporting and filing relief and clarifications and updates that do not add financial burden to insurers, consumers or licensees.

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Mark Afable, Commissioner of Insurance

Date

October 1, 2020
Date Submitted