

Bill Summary

<u>COMMITTEE:</u>	Banking and Insurance	<u>DATE:</u>	2/2/15
<u>PRIME SPONSOR:</u>	Eichelberger	<u>BILL NO:</u>	SB 293
<u>PREPARED BY:</u>	Carlton Logue	<u>PRINTER'S NO:</u>	176

A. Synopsis:

Establishes the Navigator and Exchange Assister Accessibility and Regulation Act

B. Summary:

The Affordable Care Act established entities called “Navigators” to assist with the enrollment on the newly created healthcare exchanges. They receive federal grant money, totaling over \$2.4 million in Pennsylvania for the 2014-2015 open enrollment period. Navigator groups have very limited oversight from the federal government, very few educational requirements and are not required to pass a criminal background check.

SB 293 establishes a regulatory framework for Navigators and other exchange assisters such as Certified Application Counselors. It establishes a state registration process with the Pennsylvania Insurance Department including a criminal background check. Although navigator duties as defined by the U.S. Department of Health and Human Services are very similar to an insurance producer’s duties in Pennsylvania that require licensure, navigators are not required to be licensed producers under this act. Instead, they will go through a simple registration process that will ensure they do not encroach upon duties reserved for licensed agents and brokers.

Registration of Navigators

An individual may not advertise a service as a navigator or exchange assister or operate in this Commonwealth as a navigator or an exchange assister without first registering with the Insurance Department.

Navigators must complete an application developed by the Insurance Department. Prior to approving an application, the commissioner must determine that the applicants have met the following requirements:

- (1) Is at least 18 years of age.

- (2) Resides in this Commonwealth or maintains a registered place of business in this Commonwealth.
- (3) Is not disqualified for having committed an act that would be grounds for denial, suspension or revocation of a license as a health insurance producer.
- (4) Has not had a license as a health insurance producer denied, suspended or revoked.
- (5) Has submitted a completed application
- (6) Has submitted the applicant's fingerprints, for the department to receive national criminal history records information from the Criminal Justice Information Services Division of the Federal Bureau of Investigation.
- (7) Has paid the required registration fee and fees for obtaining national criminal history records information as prescribed by the department.

Navigator Scope of Activity

A navigator or exchange assister may not engage in activities for which licensure as a producer is required, except as explicitly permitted by Federal law or regulation, including any of the following:

- (1) Sell, Solicit or Negotiate Insurance
- (2) Urge or advise a prospective purchaser to buy a particular policy or to insure with a particular company.
- (3) Initiate sales over the telephone or otherwise.
- (4) Collect premiums
- (5) Make or propose to make an insurance contract.
- (6) Other than as necessary to inform a prospective purchaser of the availability of health insurance off the exchange, provide information or services related to health benefit plans or other products not other than those offered in the health insurance marketplace, SHOP exchange, the children's health insurance program or product available through the social security act (49 stat. 620, 42 U.S.C. §301 et seq.).
- (7) Initiate an inquiry as to the terms of existing coverage
- (8) Recommend or initiate additions or deletions to an insured's policy.

- (9) Sign binders, endorsements and insurance policies.
- (10) Authorize the issuance or delivery of certificates of insurance, endorsements, binders or insurance policies on insurance identification cards.
- (11) Respond to a policyholder's request for advice or counsel regarding policy provisions or coverage.

Enforcement by the Insurance Department

This section is consistent with the PA Producer Licensing Law, including due process. Upon evidence of a violation of this act or the Insurance Department Act of 1921, the department shall notify the person of the alleged violation and a hearing on the matter shall be held.

Penalties

- (1) Deny, suspend, refuse to renew or revoke the registration, if any, of the person.
- (2) Impose a civil penalty of up to \$5,000 for each violation of this act.
- (3) Impose an order to cease and desist.
- (4) Report violations of this act to the United States Department of Health and Human Services.
- (5) Refer potential violations of any laws of this Commonwealth relating to privacy of personal information to the Office of Attorney General.
- (6) Enforce other violations of The Insurance Department Act of 1921, as applicable.
- (7) Impose any other conditions the commissioner deems appropriate

Effective Date: This act shall take effect February 15, 2016, or the close of the 2016 open enrollment period, whichever is later.