

Bill Summary

<u>COMMITTEE:</u>	Banking and Insurance	<u>DATE:</u>	6/23/14
<u>PRIME SPONSOR:</u>	Eichelberger	<u>BILL NO:</u>	SB 1268
<u>PREPARED BY:</u>	Carlton Logue	<u>PRINTER'S NO:</u>	1955

A. Synopsis:

Establishes the Navigator 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 \$2.7 million in Pennsylvania for the 2013-2014 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 1268 establishes a regulatory framework for navigators and 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 certification process that will ensure they do not encroach upon duties reserved for licensed agents and brokers.

Certification of Navigators

An individual may not advertise a service as a navigator or operate in this Commonwealth as a navigator 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 principal 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 full set of fingerprints to the commissioner and successfully completed a criminal history and regulatory record check.
- (6) Has provided evidence of liability coverage held by the individual or organization seeking to be registered.
- (7) Has identified the entity with which the individual is affiliated.
- (8) Has paid the fees prescribed by the commissioner.
- (9) Does not have a conflict of interest.

Navigator Scope of Activity

A navigator may do the following:

- (1) Conduct public education activities designed to raise awareness of exchanges among underserved insurance populations and the potential availability of federal tax subsidies in ways that are culturally and linguistically appropriate to an underserved insurance population.
- (2) Distribute fair and impartial general information concerning enrollment in the exchange and the levels of insurance available in the exchange without specifically referencing or comparing the relative merits of a specific qualified health plan.
- (3) Educate underserved insurance populations on the enrollment process without suggesting or facilitating enrollment in a particular qualified health plan.
- (4) Require specific membership to an organization, if the organization is serving as a navigator. The following shall apply to an organization under this paragraph:

- (i) the organization must provide at least one additional service, other than navigator services, to the members of its organization; and
- (ii) no other fee may be charged for utilization of the navigator services.

(5) Receive funds from an insurance carrier which offers a qualified health plan in this Commonwealth if the funds are not associated with an individual who is enrolled through the exchange.

A navigator may not do the following:

- (1) Sell, solicit or negotiate insurance.
- (2) Knowingly contact a person or business that is currently insured under an existing health benefit plan.
- (3) Make a specific recommendation for a particular qualified health plan.
- (4) Provide information or services related to health benefit plans or other products not offered in the exchange or SHOP exchange.
- (5) Require that a potential enrollee in an exchange perform some action, including paying a separate fee to an organization, as a requirement for receiving navigator assistance.

Powers of the Insurance Commissioner

Upon approval, the Commissioner shall issue a certificate and identification card to each navigator, which shall prominently list the expiration date of registration and which must be shown upon request of potential enrollees

The Commissioner may suspend, revoke or refuse to issue or renew the certification of a navigator for conduct that would prohibit an individual from being certified.

The commissioner may promulgate rules necessary to carry out this act.

Penalties:

- (1.) Impose a civil penalty of up to \$1,000 for each violation of this act or of the Insurance Department Act of 1921.
- (2.) Place a navigator under supervision.

Effective Date: Immediately