

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: HB136

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marshall, R.G.

3. Committee: Commerce and Labor

4. Title: Health insurance exchange; navigators & other exchange assistors, licensing & regulation, penalties.

- 5. Summary:** Navigators and other exchange assistors; licensing; regulation; penalties. Requires any navigator, any navigator's subgrantee or partner organization, certain of their employees or volunteers, and any certified application counselor to be licensed by the State Corporation Commission if the person provides advice, guidance, or other assistance with regard to health benefit plans under the provisions of the federal Patient Protection and Affordable Care Act. "Exchange assistors" are required to complete a training program, pass an examination, submit a criminal history and comply with CE provisions. The bill would give the Commission grounds to refuse to issue or renew a license, or to revoke or suspend a license, if the "Exchange assistor" (i) has been convicted of a felony involving fraud, misuse of funds, or misuse of information; (ii) is required to register with the Sex Offender and Crimes Against Minors Registry; or (iii) knowingly provided inaccurate information to uninsured persons regarding premium tax credits and cost-sharing reductions. The bill also makes it a Class 1 misdemeanor to (i) provide information that the person obtained while acting as an "Exchange assistor" to any political party or political organization for purposes related to voter registration; (ii) disclose any personal information of any individual that was obtained while acting as an "Exchange assistor"; or (iii) to encourage or direct an individual to knowingly make any false, fictitious, or fraudulent statements or representations to an exchange or government agency in connection with an application for health insurance coverage, enrollment in a health benefit program, or a subsidy provided under the federal act.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Fiscal Impact Estimates are Preliminary. See Item 8 below.

- 8. Fiscal implications:** The Bureau of Insurance will attempt to regulate navigators and assistors with existing staff, but it may result in some increased resource needs for the Bureau. The Bureau has budgeted for one additional position in anticipation of assuming this responsibility. There will also be adjustments to the Bureau's computer systems and website to allow for the licensing of navigators and assistors; cost for the enhancements is not available but is expected to be minimal. The Bureau will need to work with a professional testing vendor on the development of two additional examinations. In addition, the pre-licensing requirement contained in House Bill 136 may include a procurement process to properly develop the course and instructors.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The State Corporation Commission Bureau of Insurance advised the patron of House Bill 136 that any state regulation of navigators and certified application counselors proposed in House Bill 136 would be, according to the Bureau's current understanding, in addition to, not in lieu of, all federal requirements for the navigators and counselors. The federal Department of Health & Human Services is responsible for the development of requirements for the certification and training of navigators in the federally-facilitated exchange. In addition to initial registration with the federal program, Navigators and Certified Application Counselors are required to recertify their registrations on an annual basis and comply with any federal continuing education requirements. In order for the Commission to fulfill its responsibilities under House Bill 136, the Bureau of Insurance would need to work with a professional testing vendor to develop and administer two separate examinations. In addition, the Commission would need to procure the necessary resources to develop course and instructor requirements for the 35 hours of pre-licensing courses. House Bill 136 also would require additional staffing resources and enhancements to information systems at the Commission. In consideration of the considerable time that would be needed to effectively administer House Bill 136 and implement its new provisions, the Bureau asked that patron consider a delayed effective date of January 1, 2015 for the measure.

House Bill 136 is assigned to Commerce and Labor Subcommittee #2.

Date: 01/21/14/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources