

Questions and Answers about Moda Health Plan, Inc. (Moda)

Note: These questions and answers will be updated as we receive more information.

Please check back regularly for updates. (Dated 2/18/2016)

1) I heard that the Alaska DOI had reached an agreement with Moda. What is happening now?

On February 6th, the Oregon DCBS entered a consent order with Moda Health Plan, Inc. This agreement includes certain steps that Moda must take in order to improve their financial stability. The order of impairment issued by the Alaska Division of Insurance (DOI) on January 28, 2016 has been lifted. Moda policyholders will be able to keep their plans. Moda will resume selling and renewing policies to both individual and group customers in Alaska and Oregon.

INDIVIDUAL MARKET QUESTIONS

2) Will my claims be paid?

Yes. Claims should be submitted as usual.

3) Should I continue to pay my premium?

Yes. You must pay your premium in a timely manner to maintain your coverage.

4) Can I change to another carrier?

Now that open enrollment has ended, you can only change health insurance plans if you experience certain life-changing events, such as a change in family status (for example, marriage or birth of a child) or loss of other health coverage.

5) I have a Moda Health Individual or Family policy. Do I need to switch plans? Will there be a special enrollment period?

No. Since Moda will continue to provide coverage to its individual members through the end of your plan year, there is no need for a special enrollment period.

6) What about consumers who have already switched plans?

We are aware of some consumers who chose to switch plans after hearing the news of the supervision order. Now that open enrollment has ended, you can only change health insurance plans if you experience certain life-changing events, such as a change in family status (for example, marriage or birth of a child) or loss of other health coverage.

7) I am in a special enrollment period and am still shopping for coverage – can I sign up for a Moda plan?

Yes. Moda will resume selling and renewing policies in Alaska.

8) *I selected a Moda plan on the healthcare exchange on January 28th, after the Division's impairment order was issued. Do I have coverage? When will it be effective?

Most people who selected a plan on January 28th will have a March 1st effective date of coverage. The impairment order has been lifted and Moda is allowed to issue new business and process renewals. The Division is working with Moda to make sure that it is accepting all Moda plan selections made through the exchange during the impairment order.

A bill for you should have been generated by Moda on February 10th. Contact Moda to make your payment.

9) *I selected a Moda plan on the Marketplace on January 10th and haven't heard anything from Moda. Do I have coverage?

Following the rules of the Marketplace, your coverage began February 1st. Moda allows 20 days following your effective date for you to make payment which means you have until February 20th to pay your February bill; we do not recommend waiting to pay. Contact Moda to pay your bill as soon as possible.

10) *I selected a Moda plan on the Marketplace on December 14th and haven't heard anything from Moda. Do I have coverage?

Following the rules of the Marketplace, your coverage began January 1st. Moda allows 20 days following your effective date for you to make payment which means you had until January 20th to pay your January bill. We recommend that you contact Moda to determine your enrollment status.

If you are advised that you have been cancelled for non-payment and you never received a bill, you should contact the healthcare exchange and ask for a Health Insurance Casework System case to be opened for your situation. Representatives with healthcare.gov can be reached by calling 1-800-318-2596 (TTY: 1-855-889-4325).

11) *Did the impairment order delay the processing of my enrollment?

Moda reports to the Division that they continued to process all individual enrollments during the impairment order as required by their agreement with Marketplace. There should not be an additional delay related to the impairment order.

Enrollment with an insurance company in the exchange is not instantaneous. Insurers receive batched enrollments on a nightly basis and then must import the batch into their company specific systems. Then the company must perform validation processes. These processes may result in a several day lag from the time a consumer selects a plan on the Marketplace and when the company recognizes a person as enrolled.

GROUP POLICYHOLDER QUESTIONS (MODA HEALTH PLAN THROUGH YOUR EMPLOYER)

12) *Our business had a renewal date on February 1st. Did our Moda Health plan renew?

No. For group plans that were scheduled to renew during the order of impairment, Moda coverage was not allowed to renew, and insurance with another company may have been selected by your employer. Please contact your employer for additional information.

Because the impairment order has been lifted, if employers did not already bind coverage with a new insurer, they may return to Moda to seek Moda health coverage.

13) Our business has a renewal date in March. Can our Moda plan renew?

Yes. Moda is allowed to renew group contracts or issue new coverage.

UTILIZING MY BENEFITS

14) I went to the pharmacy to have a prescription filled and they indicated they were no longer accepting Moda. How can I utilize my pharmacy benefits?

Some health care providers and pharmacies turned away Moda Health Plan members while the order of impairment was in effect. If a pharmacy did not accept your Moda insurance and you paid for the prescription out of pocket, you should contact Moda Pharmacy Customer Service at 1- 888-361-1610 or you may access the prescription drug claim form at <https://www.modahealth.com/members/forms.shtml>.

MARKET QUESTIONS

15) Are other companies struggling?

Nationwide, health insurers experienced losses in 2014 and 2015, as it was challenging to predict claims costs for the first two years of the Affordable Care Act. Payments from the federal risk corridor program were much lower than insurers expected and have impacted some of Alaska's insurers.

The remaining Alaska health insurers are currently meeting regulatory standards for solvency, and the division continues to monitor their financial health.

16) Are other health insurance companies and their plans at risk of being closed to new enrollees?

Not at this time.

17) What other companies offer individual health insurance coverage in Alaska?

Premera Blue Cross Blue Shield of Alaska and Celtic Insurance Company offer individual plans in Alaska. Celtic Insurance Company, however, has not been able to sell much business in Alaska because their rates are not competitive.

18) I heard that Premera has laid off employees and reduced customer service staff. Is this true?

In November, Premera contracted with a customer service vendor named GuideWell Connect to provide customer service to its customers including Alaskans. As a result of this contract, Premera did lay off a small number of staff in Washington State. Premera reports to the division that this change was made to improve efficiency in a highly competitive environment.

19) Did Alaska's Medicaid Expansion have anything to do with this situation?

No, the underlying conditions that led to this situation were not created or aggravated by the expansion of Medicaid.

20) I need health insurance and have been offered a short-term medical plan.

Short-term medical plans are intended for short periods of time such as when you are between jobs or when newly graduated from school. These plans are not considered Minimum Essential Coverage according to the Affordable Care Act (ACA). You may be subject to a tax penalty if you choose to enroll in one. Unlike ACA plans, short-term medical plans have pre-existing condition exclusions and annual and lifetime limits. They do not cover such things as prescription drugs, maternity services, and mental health services. The Division of Insurance (DOI) issued a [press release](#) on December 15, 2015 regarding this topic. If you are contacted by someone offering short term health insurance as a replacement for your Moda health plan, you may consider contacting the Alaska DOI Consumer Services section at 907-269-7900 or 1-800-INSURAK to report the solicitation and to confirm whether the agent is licensed to sell insurance.

21) Someone called me and said they could help me find a new plan and asked me for personal information. What should I do?

If you receive any unsolicited calls about Moda, do not provide them with any of your personal information. It likely is a scam.

MORE ABOUT THE CONSENT ORDER

22) What steps can the division take if Moda does not fulfill the requirements in the order?

The agreement stipulates that if Moda were to not complete all requirements as scheduled, the state of Oregon would assume full control of the company to protect consumers and ensure claims are paid. Because Moda is domiciled in Oregon, the Oregon Department of Consumer and Business Services, rather than the Alaska Division of Insurance, would have primary control over the company. The regulatory agencies in the two states would continue to work in close cooperation.

23) Why should consumers trust that Moda will carry out its agreement to raise adequate capital to pay claims?

The consent order issued by the Oregon Department of Consumer and Business Services (DCBS) requires steps that will generate a sustainable level of capital for Moda to continue to provide service to policyholders. The business plan outlined in the consent order is based on highly conservative projections and allows for sufficient cash flow even if the company underperforms.

The plan identifies assets to be sold and specifies a timeline. It also requires that the company provide more frequent and more in-depth reports of its financial performance to DCBS and the Alaska Division of Insurance. If Moda fails to meet any deadlines or obligations to consumers, the Alaska Division of Insurance, in partnership with Oregon DCBS, will take swift regulatory action to ensure consumers are protected.

24) What other details can you provide about the assets Moda must sell to raise adequate capital?

Confidentiality is required to avoid jeopardizing prospective deals. To say more could disrupt market negotiations and undermine the value of transactions, which would ultimately be detrimental to consumers.

OTHER QUESTIONS

25) What role did the risk corridor shortfall play in Moda's financial problems?

The risk corridor shortfall played a part in Moda's financial issues, but it is not the sole cause. Moda's claim costs for the individual market have been higher than expected. A combination of a number of issues led to Moda's situation.

The risk corridor is a mechanism of the Affordable Care Act requiring profitable insurers to pay a portion of profit to unprofitable insurers. Unfortunately, there were not enough profitable insurers to balance out the unprofitable insurers. For more information, see the following report:

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RC-Issuer-level-Report.pdf>.

26) How many Moda Health Plan, Inc. consumers are there in Alaska?

Moda enrolled about 14,000 people in the individual market in 2016. At the end of 2015, Moda had 4,500 members in the group market.

27) Why did you alert the public by issuing the Order of Impairment?

The order of impairment was the first step in the process to remedy Moda's financial problems. Once the Alaska Division of Insurance issued the order, it was a public document. Transparency is important to the division, and we felt we needed to make the public aware of the issue.

28) Will Moda offer plans in 2017?

That will be a business decision for Moda. As with all plans and rates, the Alaska Division of Insurance would need to approve any plans and rates for 2017 before they are made available to consumers. Proposed rates for 2017 are anticipated to be filed in May of 2016, but that does not require the company to offer coverage in 2017.

29) Who can I contact for more information?

Contact Alaska Division of Insurance Consumer Services at 907-269-7900 or 1-800-INSURAK or by email at insurance@alaska.gov. Consumers may also want to contact Moda Health Plans at 877-605-3229 or <https://www.modahealth.com/members/contact.shtml>.