

**Mike Consedine – CEO of the National Association of Insurance Commissioners**

Mark Masselli: This is Conversations on Healthcare, I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Well Margaret it's been so heartbreaking to watch the great expanse of devastation that has been wrought by hurricane Harvey, the storm has displaced tens of thousands of residents.

Margaret Flinter: Well Mark our thoughts, our prayers and really our attention goes out to all of those who are being impacted by this disaster watching both the disaster and just a tremendous acts of bravery and heroism and generosity which always remind us of the resilience of the human spirit at the height of the storm; first responders, everyday citizens pitching in, waiting into rescue stranded residents. And clinicians from the areas health centers and medical clinics are slogging through floodwaters on foot to get to their clinics and their healthcare facility to try and offer their vitally needed health services.

Mark Masselli: Meanwhile impromptu clinics have been set up at the convention center and other areas where large groups of people are sheltering.

Margaret Flinter: And it's important to remind people who want to help out in this crisis that there are good and reputable charities to donate to, the American Red Cross of course right there with first responders on the ground. And our Connecticut based charities Americares and Save the Children also on the front lines.

Mark Masselli: There will be a long-term impacts in public health with so many dwellings having been flooded and there will be lingering mental health effects as well as people processing the trauma and the devastation of this life-changing storm.

Margaret Flinter: It is going to take a huge coordinated effort to help restore normalcy to the lives of all those affected by hurricane Harvey.

Mark Masselli: Our guest today is CEO of the National Association of Insurance Commissioners, Michael Consedine is joining us to talk about the challenges insurance commissioners are facing.

Margaret Flinter: And Lori Robertson will stop by, the Managing Editor of FactCheck.org and you can hear all of our shows by going to [chcradio.com](http://chcradio.com).

Mark Masselli: And as always if you have comments, please email us at [chcradio@chc1.com](mailto:chcradio@chc1.com) or find us on Facebook or Twitter; we love hearing from you.

Margaret Flinter: We will get to our interview with Mike Consedine in just a moment.

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Mark Masselli: But first here is our producer Marianne O'Hare with this week's headline news.

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Marianne O'Hare: I am Marianne O'Hare with these healthcare headlines.

The devastating floods wrought by hurricane Harvey continue to impact residents of South and Central Texas. It's impacting healthcare in a significant way, the renowned MD Anderson Cancer Center had to shut down operations for several days at their main facility as well as several satellites due to the extensive flooding. A total of 14 regional hospitals were impacted with some kind of evacuation, many local clinics impacted by the flood remained open however doctors slogging through in some cases miles of water to get to the clinics just to make sure they were there.

There were some lessons learned from the extreme devastation wrought by hurricane Katrina in neighboring Louisiana that storm flooded all of the region's hospitals stranding many of the sickest and most vulnerable patients. Another significant loss at the time was millions of paper health records since then it has been a massive shift of America's health records to electronic platforms.

State of Texas is urging everyone to make sure they are up to date on tetanus [PH] shots, many people also may be without their prescriptions having fled their homes with just the clothes on their backs. State health officials also warned that once the water recedes mold could pose a serious health risk to the region.

I am Marianne O'Hare with these healthcare headlines.

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Mark Masselli: We are speaking today with Michael Consedine, CEO of the National Association of Insurance Commissioners previously he served as insurance commissioner for the Commonwealth of Pennsylvania from 2011-2015 while commissioner he served as vice president of the NAIC. Mr. Consedine has served as the global head of Government and Policy Affairs at Aegon, one of the world's largest financial service companies and as senior vice president and executive director of Government Affairs at Transamerican. He earned his law degree from Widener University, Mike welcome to Conversations on Healthcare.

Michael Consedine: Thanks for having me.

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Mark Masselli: You know first of all well our focus on this year was healthcare, we would like just to take a moment to acknowledge the terrible devastation being wrought across Texas and Louisiana in the wake of hurricane Harvey and left enormous damage in its wake and just a fraction of the region's residents about 15% carry flood insurance. And NAIC has gone on record urging the immediate reauthorization of the National Flood Insurance Program. Mike, can you tell our listeners what your organization believes needs to be done immediately as well as the long-term?

Michael Consedine: Sure Mark, certainly you know our hearts and our thoughts and prayers continue to go out to those folks affected by Harvey and we have not seen a disaster on the scale for almost 12 years. It is somber reminder of the importance of the NFIP program this is going to be primarily a flooding event for a lot of those in the affected states and NFIP program really is the only program for flood coverage that we have in this country. And it has been a program long in turmoil and one that we have been vocally advocating needs to be reauthorized first and foremost for an extended period of time so you can have some stability in that marketplace as well as the ability for the private sector to get better and more engaged in supplementing that federal program. It's something that Congress is going to have to tackle as soon as they return here to Washington and I think Harvey will reinforce the need for reauthorization of these programs. Because without it people will be hard-pressed to rebuild, and this program if Congress doesn't act is set to expire in September so immediate action is needed.

Margaret Flinter: Yeah, and health policy as in many areas we seem to be a nation in flux and I can only imagine what a tumultuous time it is for the nation's insurance commissioners. You have been through very interesting and changing times certainly as insurance commissioner Pennsylvania during the launch of the Affordable Care Act. And now we watch as the president and Congress may make some attempt to create a new approach, how is the present uncertainty about the path that we are going to take on reforms affecting the work that they are needing to do?

Michael Consedine: It has been certainly a very tumultuous time for our state insurance regulators, I think they feel probably like they have been in crisis management mode for the better part of this year. We've had many states as you know that have seen individual carriers pulling out of their individual marketplace, we we're looking at situations where we didn't have coverage in some areas of some states. And in many cases we are still down to just having a one carrier in all our parts of the number of states and the efforts of state regulators in using all means at their disposal, I think it feels like sometimes duct tape and chicken wire to keep their markets together. But

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they've been successful in doing that and we've seen state regulators across the board bring their states back from the brink where they had zero coverage.

But we're still really on the edge of that crisis, we have a lot of states that are experiencing significant rate increases we have seen some states rate request increases in excess of 30% but some others that you know it's still fairly modest rate increases. But all of our members are being impacted by this environment of political uncertainty which causes operational uncertainty and financial uncertainty unless and until that is addressed we're not going to be able to make informed choices both as state insurance regulators or these companies are in terms of their short-term let alone long-term commitment to these markets.

Mark Masselli: You know Mike one of the uncertainties clearly is the cost-sharing subsidy put in place by the Affordable Care Act and whether or not that will continue to offset the out-of-pocket expenses from co-pays and high deductibles. And NAIC has sent an appeal to leaders in Congress to really give a clear signal for what lies ahead, tell us how insurance commissioners and you have a crystal ball can you tell us what you think might be happening out there?

Michael Consedine: Well I wish I did have a crystal ball Mark. So I don't know if I can tell you what will happen but I can certainly tell you what our members say should be happening in Washington. Our state regulators span the gamut politically but our message to Congress has been a remarkably clear and consistent in at least with respect to the cost-sharing CSR reduction payment you know they have to be made through at least 2019 to provide that near-term stability to the marketplace to relieve some of the cost that will otherwise be borne by consumers. And just these couple actions will help bring some of that certainty and stability back to a market that desperately needs it you know with stability we hope comes increased competition. We will have five of our commissioners testifying before the Senate Health Committee on September 6, and at the same time we continue to engage with both the White House and HHS on the same message and HHS has been I think very responsive to help increase some of that stability and we hope that cooperation and coordination continues.

Margaret Flinter: It seems to us that the large insurance carriers are citing the uncertainty as a primary reason they chose not to participate in the insurance exchange marketplaces Aetna, United Healthcare and some others that said, they can't effectively calculate the cost benefit algorithms for the marketplace. So talk to us a little bit about what can be done long-term to entice carriers back into markets across the country.

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Michael Consedine: You know in the case of health insurance those assumptions were baked into big parts of the Affordable Care Act, having the CSR component was a major component of their rate assumptions. And we don't have an answer as to whether or not those payments are to be made so there you have to build that into the process which is why you're seeing these spikes in a number of rates right now. So clearing up that ambiguity in the marketplace will be certainly one way to get carriers to remain or come back into the market. You know a number are now leaving for what I would suggest our pretty legitimate financial reasons but may want to return if the market does turn around and if Congress does provide some clarity. Also we have just the efforts of state regulators who are working tirelessly to keep carriers in the market but really the bottom line is stability they just all need to know that this law is going to continue to be there in a meaningful stable way. And as soon as we have that signal from Washington I think you'll see improvements in the marketplace.

Mark Masselli: We are speaking today with Michael Consedine, CEO of the National Association of Insurance Commissioners, Mike the roll out of the ACA did experience some challenges in addition to that initial rocky launch another big challenge was the patchwork quilt approaches adopted by different states across the country, and we often talk about states being incubators for healthcare innovation. And I wonder if you could share with our listeners the pros and cons of state-based approach to insurance regulation.

Michael Consedine: Yeah Mark, we often hear sort of that characterization of our state based system here in the US as a patchwork but I don't necessarily see that as a negative here because that gives individual states the ability to be sort of laboratories of innovation. And we have seen that play out with the implementation of the Affordable Care Act and the ACA built-in the ability for states to be flexible in terms of whether or not they built their own exchanges for example. So that level of customization we don't see is a bad thing, in fact maximizing state flexibility has been one of our messages to Congress as they go about looking at changes or enhancements that could be made to the Affordable Care Act. Every one of our state markets is different; California is different than Tennessee in terms of its population, in terms of its health provider, infrastructure but recognizing that and building in the ability to give states the flexibility, I think we will only ultimately be to consumers benefits. Having a state regulator who is there in the marketplace who knows the neighborhood for lack of a better word I mean our regulators are essentially the beat cops of the insurance marketplace. And they do a much better job of protecting their neighborhood than I would suggest having a federal entity doing so.

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Margaret Flinter: Well Mike, we have been talking about the inherent complexities of the American health insurance market, certainly there has been some disruption not just by shifting government policies but also by rapid technologic advances as well. I remember my grandfather walking around his feet, collecting the insurance premiums, he was an insurance agent. Technology has really moved the industry ways forward, your recent international insurance forum touched on some of these emerging technologies and you addressed the significant security risks that play here as well. How's the NAIC addressing all of these emerging technologies along with the emergent data security challenges?

Michael Consedine: Well what we're seeing in the area of innovation just in shifts of consumer sentiment and demand is an absolute game changer for the insurance industry, I mean you cited your grandfather I will cite my own 16-year-old daughter. And I would guess when each one of us turned 16, one of the first things we did was run down to the DMV to get our drivers licenses.

Margaret Flinter: Absolutely.

Michael Consedine: And I will tell you we're dealing with a generation where she has no interest in getting a drivers license because she doesn't really ever see owning or operating you know a vehicle on a day-to-day basis much in the way we do. And we're seeing that already play out throughout our industry as consumers really are changing how they interact with even the concept of ownership of homes and cars you know the sharing economy is of course having a major impact in how do we regulated in many cases using laws that were you know written back in the 1800s. But back to sort of the area of health we're seeing those same impacts of innovation there as well but data security has been up big issue. You have to look no further than some of the front page reports on the data breaches, we're seeing in some health insurers you know insurance records, health records are a veritable goldmine for hacking. So NAIC is really focusing on the safety and soundness when it comes to cyber security, we have moved forward with adopting some principles in that area and directing insurers, producers and the other regulated entities to join forces in identifying risk and adopting practical solutions to protect insurance information that's entrusted to them. I think consumers are expecting insurers to do that we are going to hold them to that and move forward with a model law that we hope will further codify some of those principles. And the same time there is a demand for cyber insurance coverage but that also is sort of an innovative new product and we are focused on making sure that the insurers who are writing that cyber insurance really understand the risk that they are writing. So it's an exciting sort of area within the insurance industry, a total game changer for all of us.

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Mark Masselli: You know Mike I was thinking as you were saying that the insurance commissioners regulators are really beat cops protecting the neighborhoods I really like that concept. And just walk us through the NAIC, you guys cover a lot and maybe just tell our listeners a little more about that rule that insurance commissions are involved and you guys really have your hand in all sorts of activities.

Michael Consedine: We do Mark, and I spend a lot of time also trying to convince my kids that my job is actually pretty cool because it deals with things like cyber security, it deals with major policy issues of the day like health insurance and financial services reforms, issues like terrorism coverage, climate change, all of that is a big part in the everyday experiences of state insurance regulator. So part of what we do at the NAIC is work very hard to raise the visibility of the important work that our members are doing or things that everyday Americans are dealing with. For example hurricane Harvey the departments that are involved in those states have a ton of resources to help consumers recover for people who are grappling with purchase any kind of insurance coverage terrific resources exist at the state level. So we're going to be out for example later this fall with Stanford University holding a joint conference on cyber security risk, meeting with the Silicon Valley players that are having an impact on our industry. So it's an exciting time to be an insurance regulator and for us supporting them is equally exiting.

Margaret Flinter: Well speaking of trends, the trend towards the megamergers of the large carriers is something we've been keeping an eye on and we're seeing the emergence of new types of companies like Oscar Health and athenahealth who really are setting out to disrupt the status quo. So what kind of trends do you see emerging that might serve to alleviate the ever rising costs of health insurance, what will be most disruptive to the industry?

Michael Consedine: I definitely see you know some of these emerging outside, our traditional insurance segments coming in and having an impact because in many ways I think those companies are sensitized in responding to these consumer shifts that we're talking about. We consistently hear that consumers really want a simplified streamlined process for purchasing anything, you know travel, health insurance what have you, you know part of what I know our members are struggling with is they absolutely want to create an environment that is conducive to innovation and sort of these out-of-box ideas. But at the same time everybody's got to be held to the same standard this is a regulated industry you know just because you are a cool Silicon Valley company doesn't necessarily excuse you from complying with all of the same rules of the road that applies to traditional insurers. And really for us as regulators making sure that we're up to the task creating a regulatory environment structure that is really evolving right along

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with that marketplace. I would say the pace of change in an innovation is unlike anything we've, any of us have experienced before and that's something that is going to keep us on our toes.

Mark Masselli: We have been speaking today with Mike Consedine, CEO of the National Association of Insurance Commissioners you can learn more about their work by going to [naic.org](http://naic.org) or you can follow them on Twitter @NAIC\_News. Mike thank you so much for joining us on Conversations on Healthcare and for the great work that you do.

Michael Consedine: Mark, Margaret it's been a pleasure, thank you very much.

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Mark Masselli: At Conversations on Healthcare, we want our audience to be truly in the know when it comes to the facts about healthcare reform and policy. Lori Robertson is an award-winning journalist and managing editor of FactCheck.org, a nonpartisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in US politics. Lori what have you got for us this week?

Lori Robertson: Pres. Donald Trump said that congress had been just one vote short of repealing the Affordable Care Act, that's not the case. The president at a campaign rally in Arizona in August told his supporters, we were just one vote away from victory after seven years of everybody proclaiming repeal and replace. Senate Republican fell one vote short of passing a bill that was seen as a placeholder the so-called skinny repeal option which could have been enabled the senate and house to work on a final bill in a Conference Committee. Republicans were one vote away from continuing the process, they weren't one vote away from repealing the ACA or Obama Care as Trump claimed.

The senate had failed to pass its more comprehensive effort to repeal and replace the Affordable Care Act, the skinny legislation would have changed it including repealing the individual and employer mandate to buy or provide health insurance and delaying a medical device tax.

Sen. Lindsey Graham was joined by three other Republican senators at a press conference hours before the Senate voted Graham said "We have been asked by our leadership for days now to vote on the least common denominator, the skinny bill, because the pitch is if you vote for the skinny bill then we go to the conference." Graham said, he and others were concerned that the house would simply take the



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skinny bill to the floor, pass it and send it to the President's desk. Graham did vote for the skinny bill but three Republican senators opposed it, Sen. Susan Collins, Lisa Murkowski and John McCain one more Republican yes vote would have created a tie which vice president Mike Pence could have broken. But again that would not have repealed the ACA instead it would have continued the process of the Republicans and Congress trying to agree on a repeal and replace bill.

And that's my fact check for this week, I am Lori Robertson Managing Editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact, that you would like checked, email us at [www.chcradio.com](http://www.chcradio.com). We will have FactCheck.org's Lori Robertson check it out for you here on Conversations on Healthcare.

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Margaret Flinter: Each week Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives. Soaring prescription drug prices have been taking a toll on American health consumers but until now most didn't understand how those prices were set, many Americans have resorted to purchasing prescriptions online often illegally or overseas while cheaper the solutions come with their own risk. So an enterprising pair of brothers have created their own solution, Matthew and Geoffrey Chaiken founded Blink Health, a free online destination that links patients with prescription sources that can be up to 90% cheaper than what's found on the traditional market.

Geoffrey Chaiken: The way it work is you go to blinkhealth.com, you look up the name of your medication and price you see there is the price you get it over 60,000 pharmacies nationwide, if that price is less than what you normally pay for your prescription pay for it online we provide you with what we call a digital blink pharmacy card. And you share that card to the pharmacist, they type in the codes on that card and your medication brings up as zero dollars.

Mark Masselli: Cofounder Geoffrey Chaiken to CBS news recently, they negotiated prices directly with drug manufacturers, since Blink launched last year users have saved millions of dollars on prescriptions. And a majority of those prescriptions are filled for \$10 or less, at a time when not only drug prices are going up but co-pays and out-of-pocket costs are rising dramatically as well. Blink, an online site for purchasing prescription drugs to safely fill prescriptions at a far more competitive price allowing

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them to stay healthy and save significant money at the same time. Now that's a bright idea.

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Margaret Flinter: This is Conversations on Healthcare, I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli, peace and health.

Conversations on Healthcare, broadcast from the campus of WESU at Wesleyan University, streaming live at [www.wesufm.org](http://www.wesufm.org) and brought to you by the Community Health Center.