

# COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN  
COMMISSIONER



OFFICE OF THE MONTANA  
STATE AUDITOR

February 26, 2013

Delivered by Electronic Mail

Mr. Gary Cohen, Director  
Center for Consumer Information and Insurance Oversight  
Re: Performing Plan Management Functions for the Federally Facilitated Exchange

Dear Mr. Cohen:

The state of Montana will have a federally-facilitated exchange (FFE) in operation for the 2014 plan year. My agency did extensive research on the feasibility of a plan management partnership, but I decided not to submit the blueprint for plan management partnership. However, our research led me to the conclusion that my existing authority as the state-wide elected official tasked with regulating the insurance market in Montana provides me with sufficient authority to conduct all plan management activities that relate to QHP certification. In the interests of saving administrative costs and avoiding regulatory duplication and complications, I encourage you to accept the regulatory functions of my office as sufficient for plans and issuers qualified to sell on the exchange.

As the primary insurance regulator for Montana, I am charged with protecting the interests of insurance consumers in this state. To that end, I need to maintain this agency's statutory and operational authority over those aspects of FFE plan review and approval that are traditionally performed by state insurance regulators.

Pursuant to the Montana constitution and statutes, I have broad investigative authority that encompasses all areas of plan management. For example, prior approval of insurance policy forms issued to Montana residents is required by Montana law. My staff is trained regarding the minimum requirements of state and federal law and conducts a "line by line" review of all insurance contracts and related forms.

Even without the partnership model exchange, my office can and will perform various plan management activities that the FFE will duplicate. This duplication of effort will be costly and burdensome to insurers and premium payers in the Montana health insurance market. I do not believe this is in the best interests of Montana's consumers or insurance industry. If you agree, the Office of the Commissioner of Securities and Insurance (CSI) is ready to conduct the regulatory activities that are required for plan management and will share our findings and recommendations with the FFE for the purposes of QHP issuer and plan certification.

In the coming year the CSI intends to perform all of its required regulatory functions. This means the CSI:

1. Has the legal authority and operational capacity to conduct the plan management activities required to support certification of QHPs;
2. Will collect and analyze information on plans and rates, covered benefits, and cost-sharing requirements;

3. Will ensure ongoing plan compliance and resolve consumer complaints; provide issuer technical assistance as needed; and
4. Can assist with the FFE's decertification of issuers and associated appeals.

We look forward to finalizing this arrangement as soon as possible. Please contact me or Christina Goe, my office's general counsel, at (406) 444-1942 with any questions or concerns you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Monica J. Lindeen".

Monica J. Lindeen  
Commissioner of Securities and Insurance