

AGENCY ADVISOR

WINTER 2022

Inside THIS ISSUE

HOT TOPICS

- ▶ Investor Threats, Schemes, & Trends
- ▶ COVID-19 Vaccine Update
- ▶ No Surprises Act

SECURITIES

- ▶ Capital Formation

LEGAL LOOK

- ▶ Pharmacy Benefit Managers
- ▶ Elder Justice Councils

2021 IN REVIEW

- ▶ Legislative
- ▶ Montana Land Board
- ▶ Communications & Events
- ▶ Legal
- ▶ Securities

On Our CALENDAR

- | | |
|--------------|---|
| JAN 7-8 | Montana Pharmacy Association <i>Big Sky, MT</i> |
| JAN 10-11 | Self Storage Workshop <i>Big Sky, MT</i> |
| JAN 12-13 | NAIC Strategic Planning Steering Committee— <i>Savannah, GA</i> |
| JAN 25 | Coffee with the Commissioner <i>1889 Coffeehouse, Helena, MT</i> |
| FEB 2-6 | NAIC Commissioners' Conference <i>Palm Desert, CA</i> |

COMMISSIONER'S CORNER



As this calendar year comes to an end, we also end the first year of our new administration. We now find ourselves planning for the future, as we reflect on our collective accomplishments in 2021. I have been blessed and humbled with an incredible team from top to bottom. In my first year as your Commissioner of Securities and Insurance, we have taken opportunities, applied ourselves, and really advanced the ball in terms of defining what this office is capable of. I continue to be amazed by the impactful work the CSI team has accomplished in just twelve months.

We had an incredibly successful legislative session and worked with stakeholders to get administrative rules vetted and posted. We pursued actions against bad actors and used these as teaching moments to inform both consumers and industry what to watch out for, what to expect when someone crosses the line, and how to work with our office.

We completed an incredible amount of outreach, re-convened the Eastern Montana Elder Justice Council, and restarted a task force to replicate the good work of this Council across the state to educate and protect seniors.

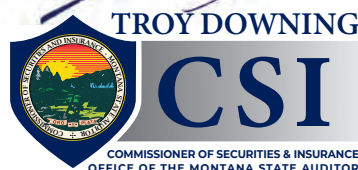
We worked tirelessly with stakeholders, natural resource developers, farmers, ranchers, and the Department of Natural Resources and Conservation to make sure we are truly being good stewards of our State lands to increase much needed public education funding.

We have implemented outreach programs to educate the public on securities fraud, insurance fraud, elder exploitation, multi-level marketing companies versus pyramid schemes, and the federal No Surprises Act. Outreach and education will be a recurring theme in this administration.

The hard work, professionalism, and devotion to the mission of those who make up this agency shows not just in quantity and quality, but in the heart given by these team members. I smile every morning when I walk into the office, knowing we are doing important, meaningful work and having fun doing it.

I hope you had a Merry Christmas and look forward to continue working for you in 2022.

Best Regards,



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Get social with us on

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HOT TOPICS

INVESTOR THREATS, SCHEMES, & TRENDS

Schemes related to these products were identified as the top threats facing investors this year in Montana and throughout the country.

- ▶ **Internet and social media-based frauds** are the top threat to investors.
- ▶ **Cryptocurrency-related and precious metals-based investments**, especially those purchased through self-directed individual retirement accounts, which lack the services and protection of traditional IRAs.
- ▶ **Foreign exchange-related schemes** offering high-yield foreign exchange and cryptocurrency related schemes targeting investors.

As a result of the pandemic, bad actors continue to leverage investor fear and anxiety related to changes in financial markets and the economy to illegally sell securities.

Investment offers that sound “too good to be true” often share similar characteristics. The most common telltale sign of an investment scam is an offer of guaranteed high returns with no risk. All investments carry the risk that some, or all, of the invested funds could be lost.

Investors should always ask if the salesperson and the investment itself are properly licensed or registered.

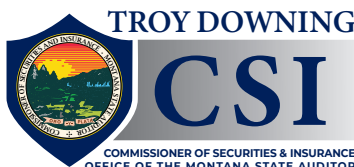
To confirm investor information, contact the CSI at 406.444.2040.

COVID VACCINE UPDATE

Commissioner Troy Downing secured \$75,000 in donations from BCBSMT, Mountain Health Co-op and Pacific-Source for vaccine incentives.

Montana DPHHS also contributed \$50,000 in federal funds. For those who still need a vaccine or booster, \$50 gift cards are now available at locations around Montana.

To find a location offering COVID-19 vaccine incentives, contact your local health department.



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| | |
|-----------------------------|-------------------|
| Billed/Total Charges | \$36,027.35 |
| Adjustments | \$13,149.89- |
| Insurance Payments | \$15,927.37- |
| Patient Payments | \$0.00 |
| Due From Insurance | \$0.00 |
| This is your balance | \$6,950.09 |

NO SURPRISES ACT

Effective January 1, 2022

What is balance billing?

Balance billing happens when a health care provider bills a patient after the patient's health insurance company has paid its share of the bill. The balance bill is for the difference between the provider's charge and the price the insurance company set, after the patient has paid any copays, coinsurance, or deductibles.

What is surprise billing?

Surprise billing happens when a patient receives an unexpected balance bill after they receive care from an out-of-network provider or at an out-of-network facility, such as a hospital. It can happen for both emergency and non-emergency care. Typically, patients don't know the provider or facility is out-of-network until they receive the bill.

The No Surprises Act protects you from:

- Surprise bills for covered emergency out-of-network services, including air ambulance services (but not ground ambulance services).
- Surprise bills for covered non-emergency services at an in-network facility.

The law applies to fully insured plans offering group or individual health insurance coverage and self-insured group health plans.

- A facility may not bill you more than your in-network coinsurance, copays, or deductibles for emergency services, even if the facility or provider is out-of-network.
- If your health plan requires you to pay copays, coinsurance, and/or deductibles for in-network care, you're responsible for those.
- The new law also protects you when you receive non-emergency services from out-of-network providers (such as an anesthesiologist) at in-network facilities. An out-of-network provider may not bill you more than your in-network copays, coinsurance, or deductibles for covered services performed at an in-network facility.

Questions? Please call our office at 406.444.2040.

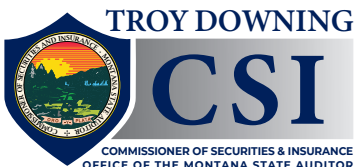
SECURITIES: CAPITAL FORMATION

The economic and social disruption caused by the pandemic has affected businesses and their employees throughout the world. Capital formation, a primary way businesses access money, has been more difficult due to the pandemic.

Prior to the pandemic, CSI staff traveled across Montana every three to four years speaking with local business leaders, economic incubators, and economic development organizations on how to start or grow a business using investor capital. Since March 2020, CSI staff members have been grounded from this necessary and important outreach.

Montana law requires the CSI to encourage, promote, and facilitate capital investment in the state. 2021 was a good year for capital formation in Montana, even though it fell short of a normal year. In 2021, CSI Securities staff reviewed and approved filings from 34 domestic issuers seeking to raise up to \$802,855,557 from investors to start or grow their businesses and to create jobs in Montana. Prior to the pandemic, CSI Securities received almost twice as many filings. The types of Montana businesses/companies seeking investment capital is quite diverse and has included agricultural, artificial intelligence, bio-informatics, biotechnology, Christian radio, commercial, defense training, film makers, healthcare, hospitals, industrial, information security, manufacturers, residential, technological, telecommunications, micro-breweries and distillers, among other business types.

In 2022, CSI Securities is hoping to conduct a capital formation tour and visit at least 20 cities and towns throughout Montana. The goal is to exceed \$1 billion in capital investment in Montana, which will have strong economic and social impact across the entire state.



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LEGAL LOOK

MONTANA PHARMACY BENEFIT MANAGER OVERSIGHT ACT (SB 395)

A pharmacy benefit manager (PBM) is a company that provides claims processing or other prescription drug or device services to Montana health plan enrollees or injured workers under a workers' compensation plan. A PBM administers an insurer's prescription drug plan. Among other services, a PBM can develop and manage a pharmacy network, develop and maintain a list of covered drugs, negotiate drug prices (including rebates and discounts), process claims for drugs, and arrange for mail-order or specialty drug services.

The 2021 Legislature passed the Montana Pharmacy Benefit Manager Oversight Act (SB 395), which can be found at Mont Code Ann. §33-2-2401 et seq. This PBM law goes into effect on January 1, 2022. As required by the Act, CSI adopted regulations addressing PBM network adequacy and related issues. The new regulations at Mont. Admin. R 6.6.7901 et seq. also take effect on January 1, 2022.

CSI has prepared a PBM license application and licensing information, available on our website at csimt.gov/news/pharmacy-benefit-managers. Because the licensing requirement is new for 2022, all PBMs must apply for a license and be approved by the CSI. Please visit the CSI website at csimt.gov or call the CSI at 406.444.2040 if you have questions about PBMs or the licensing process.

ELDER JUSTICE COUNCILS

This winter, CSI had tremendous success in promoting Elder Justice Councils in Montana. Commissioner Downing and his staff hosted kickoff events in Bozeman, Great Falls, and Missoula. The Councils will serve a necessary function in the Commissioner's fight to deter and prosecute elder abuse in Montana.

Each Council is a multidisciplinary team of local stakeholders who provide outreach, intervention, and investigative guidance to county offices and concerned citizens. The formation of the three regional Councils comes on the heels of the success of the Eastern Montana Elder Justice Council. CSI has been deeply involved in the Eastern Montana Council since its inception in 2019. A CSI attorney attended each of the kickoff events and will provide future assistance in evaluating cases for the Councils.

Any person interested in joining a regional Council will soon be able to submit their application at svc.mt.gov/gov/boards.

For more information about the Councils and their need in Montana, contact our office at 406.444.2040.

2021 IN REVIEW

Our first year was full of meaningful work by all divisions of our agency. We strive to continuously improve the protection of Montanans in both Securities and Insurance. Here are just some of the important CSI accomplishments in 2021:

LEGISLATIVE

The CSI had 17 of our priority bills become law. These laws help protect Montana's consumers, provide more health care options, help us police bad actors committing fraud, and streamline the industry. To read more about these important bills, visit our website at csimt.gov/legislativepriorities.

MONTANA LAND BOARD

As one of Montana's top elected officials, a seat on the Montana Land Board is very important to Commissioner Downing. He has gained direct insight into the issues and policies to make sure Montana continues to be true stewards of our resources, while supporting the economy and raising money for education.

COMMUNICATIONS & EVENTS

Our agency rolled out the CSI Insider podcast and continues to expand to a broader audience of interested parties—consumers and industry—to communicate and share information in a more efficient way.

- 7 Op-eds published
- 23 Press Releases
- 45 News Articles informing Montanans on important issues
- 40 Public Service Announcements
- 2021 Montana Insurance Summit set record attendance

LEGAL

- Enforcement Actions Filed in 2021: 60
- Legal Referrals Closed: 289
- Fines and Fees Collected: \$70,798.34
- Restitution Collected: \$83,975.68

SECURITIES

In 2021, the CSI Examinations Team was busy. There was a 150% increase in exams from the previous year. They were also champions of many other important issues:

- In first 10 months of 2021, the CSI Examinations team traveled a total of 1,388 miles, visiting with Montana domiciled investment advisors to ensure compliance of their businesses.
- CSI Securities team referred 6 multi-level marketing companies to CSI Legal for violation of the Montana Securities Act and doing business illegally in Montana.



Commissioner Downing has traveled 1000s of miles on Land Board tours, learning from industry leaders about Montana's valuable resources.



As a combat veteran, Commissioner Downing was honored to speak to fellow veterans, Montanans, and students on Veterans Day.



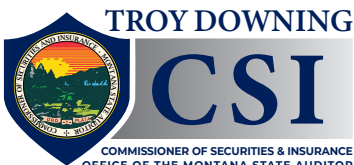
NAIC Conventions provide valuable learning opportunities for the CSI team.



Commissioner's Panel at the 2021 Insurance Summit was a huge success. This year's Summit set record attendance.



December brought wildland fires to Montana. The Commissioner spent time educating Montanans about how CSI can help with insurance claims.



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