The Regulatory Framework (B) Task Force met in Phoenix, AZ, March 28, 2015. The following Task Force members participated: Ted Nickel, Chair, represented by J.P. Wieske (WI); Todd E. Kiser, Vice Chair, represented by Tanji Northrup (UT); Dave Jones represented by Tyler McKinney (CA); Marguerite Salazar represented by Peg Brown (CO); Katharine L. Wade represented by Mary Ellen Breault (CT); Kevin M. McCarty represented by Chris Struk (FL); Tom Donovan represented by Kathy McGill (ID); James Stephens represented by Yvonne Clearwater (IL); Ken Selzer represented by Julie Holmes (KS); Sharon P. Clark represented by Maggie Woods (KY); Gary Anderson represented by Jim McCarthy (MA); Eric A. Cioppa represented by Robert Wake (ME); Mike Rothman represented by Kristi Bohn (MN); Monica J. Lindeen represented by Christina Goe (MT); Bruce R. Ramge represented by Martin Swanson (NE); John G. Franchini represented by Terry Seaton (NM); Mary Taylor represented by Laura Miller (OH); John D. Doak represented by Julie Meaders (OK); Laura N. Cali represented by Gayle Woods (OR); Teresa D. Miller represented by Peter Camacci (PA); Larry Deiter represented by Frank Marnell (SD); Jacqueline K. Cunningham represented by Altheia Battle (VA); Mike Kreidler represented by Molly Nollette (WA); and Michael D. Riley represented by Andrew Pauley (WV). Also participating were: Karl Knable (IN); and Katrina Daniel (TX).

1. **Adopted its Feb. 19 Minutes**

Mr. Swanson made a motion, seconded by Ms. Breault, to adopt the Task Force’s Feb. 19 minutes (Attachment One). The motion passed unanimously.

2. **Discussed Initial Drafts of Model #170 and Model #171**

Jolie Matthews (NAIC) reviewed initial drafts of revisions to the *Accident and Sickness Insurance Minimum Standards Model Act (#170) (Attachment Two)* and the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171) (Attachment Three)*. She reminded the Task Force that, at the 2014 Fall National Meeting, the Task Force requested NAIC staff to draft initial revisions to Model #170 and Model #171 reflecting where there was agreement in the comments received on the models. As such, the revisions to Model #170 and Model #171 remove provisions related to major medical coverage because the *Individual Market Health Insurance Coverage Model Act (#36)* and the *Individual Market Health Insurance Coverage Model Regulation (#26)* include provisions related to such coverage. Ms. Matthews noted that provisions related to disability income protection coverage remain because some comments suggested removing them from Model #170 and Model #171 and other comments suggested retaining them in the models. She also noted that references in both models to “hospital confinement indemnity” were changed to “hospital indemnity or other fixed indemnity” to reflect current terminology.

Ms. Matthews also said Model #170 and Model #171 were revised to include provisions related to hospital indemnity or other fixed indemnity coverage to reflect language from final regulations published in the *Federal Register*, May 27, 2014. Mr. Wieske said the Task Force most likely will be asked to consider possible drafting notes for those provisions to reflect Wisconsin’s concern that the federal agencies promulgating the regulations lack sufficient authority to impose such requirements.

Ms. Matthews said she made only a few changes to Section 9—Requirements for Replacement of Individual Accident and Sickness Insurance in Model #171. She said she is not sure why it is still needed. Mr. Wieske said some consumers like to retain individual policies for the additional protection they may provide. He requested comments from regulators and interested parties on whether Section 9 should be retained.

Ms. Goe asked if there is a definition of “indemnity” in either Model #170 or Model #171. Ms. Matthews said there is no definition for that term in either model. Ms. Goe questioned whether a proposed new drafting note in Section 5—Minimum Standards for Benefits in Model #170, which describes the characteristics of hospital indemnity or other fixed indemnity insurance coverage, should be included as substantive language. She also suggested that the Task Force carefully review the provisions in the models related to dental and vision coverage, because pediatric dental coverage and pediatric vision coverage are essential health benefits under the federal Affordable Care Act (ACA). Mr. Wake suggested that the Task Force may want to add provisions in the models concerning retiree health coverage that serves as wraparound coverage for Medicare. Ms. Goe agreed with Mr. Wake’s suggestion.
Timothy Stoltzfus Jost (Virginia Organizing) noted the provisions in Model #170 and Model #171 referring to limited benefit health coverage. He questioned what type of coverage this was, while noting that the ACA does not reference such coverage. Mr. Jost also noted the proposed revision in Section 6—Disclosure Requirements in Model #170 that would require insurers to display prominently in the application materials for hospital indemnity or other fixed indemnity coverage a notice that such coverage is not minimum essential coverage that would satisfy the ACA’s individual mandate requirements. He suggested that such a notice be required for the other types of coverages in Model #170. Mr. Jost also noted that some of the coverages and dollar limits referenced in both models appears to be outdated, and, as such, the Task Force may want to review such language for revision. Mr. Wieske agreed.

After discussion, the Task Force set a June 15 public comment deadline to receive comments on the proposed revisions to Model #170 and Model #171.

3. Adopted the Report of the Network Adequacy Model Review (B) Subgroup

Mr. Wieske said the Network Adequacy Model Review (B) Subgroup will be meeting March 29. He said that, during the meeting, the Subgroup will consider adoption of its March 19, March 12, March 2 and Feb. 23 minutes. He said the Subgroup also plans to continue to review the comments received on the initial draft of revisions to the Managed Care Plan Network Adequacy Model Act (#74).

Ms. Brown made a motion, seconded by Mr. Swanson, to adopt the report of the Network Adequacy Model Review (B) Subgroup (Attachment Four). The motion passed unanimously.

6. Adopted the Report of the ERISA (B) Working Group

Ms. Goe said the ERISA (B) Working Group met March 28. During this meeting, the Working Group discussed the March 24 draft of the Stop Loss Insurance, Self-Funding and the ACA white paper. Ms. Goe said the Working Group plans to consider adoption of the white paper via conference call the last week of April. She noted that the latest revisions were clarifying and intended to be nonsubstantive. Ms. Goe said the Working Group asked for volunteers to begin revising the Health and Welfare Plans Under the Retirement Income Security Act: Guidelines for State and Federal Regulation (ERISA Handbook). Maine, Montana and Wisconsin volunteered. At the conclusion of its March 28 meeting, Ms. Goe said the Working Group adjourned into regulator-to-regulator session pursuant to paragraph 2 (pending investigations which may involve either the NAIC or any member in any capacity), paragraph 3 (specific companies, entities or individuals) and paragraph 8 (consideration of strategic planning issues relating to federal legislative and regulatory matters or international regulatory matters) of the NAIC Policy Statement on Open Meetings.

Ms. Goe made a motion, seconded by Ms. Nollette, to adopt the report of the ERISA (B) Working Group (Attachment Five). The motion passed unanimously.

Having no further business, the Regulatory Framework (B) Task Force adjourned.