

NAIC CONSUMER LIAISON
REPRESENTATIVE RECOMMENDATION
TO THE NAIC EXECUTIVE (EX) COMMITTEE

(Please submit completed request form to Lois Alexander (NAIC) for processing)

RECOMMENDED BY: Bonnie Burns

DATE: March 30, 2014 (July 22, 2014 Revision) - (see 3/27/15 update below)

ISSUE:

From: Bonnie Burns [mailto:bburns@cahealthadvocates.org]

Sent: Tuesday, July 22, 2014 12:33 PM

To: Alexander, Lois

Subject: RE: Discussion with Brian Webb

Would you include the entire email? That's fine with me.

Sent from my Verizon Wireless 4G LTE Smartphone

----- Original message -----

From: "Alexander, Lois"

Date:07/22/2014 9:59 AM (GMT-08:00)

To: "bburns@cahealthadvocates.org"

Subject: RE: Discussion with Brian Webb

Bonnie, thank you for the info. Quick question: I am guessing that the email below is your restatement of the request. Is that right? If so, I will add it to the original request as a clarification.

-----Original Message-----

From: Bonnie Burns [mailto:bburns@cahealthadvocates.org]

Sent: Tuesday, July 22, 2014 11:22 AM

To: Alexander, Lois

Cc: Robertson, Stephen W.

Subject: Discussion with Brian Webb

Lois, I talked with Brian this morning as suggested regarding mine and Andrea's request to look at the NAIC Coordination of Benefits Model in light of the ACA and people with Medicare. He noted that the B Committee has been looking at some of these issues involving Medicare and is waiting for a response from CCIIO and CMS. My concern is with the application of coordination of benefits in the current Model that about 40 states have adopted when a person has or is eligible for Medicare. It is unclear what rules would apply in the remaining states. Brian asked that I restate our request to clarify that we weren't asking the NAIC to re-open the Model but to look at these coordination issues to determine if that might be necessary in the future.

Transitions from private health insurance to Medicare have always been difficult and can expose beneficiaries to serious financial and health consequences through the application of late enrollment penalties and gaps in coverage. In addition to existing problems with transitions involving COBRA and Medicare, CMS recently notified insurers that they cannot non-renew or terminate coverage on the basis of eligibility for Medicare, and has identified certain groups of beneficiaries who can have a QHP.

The current NAIC Model allows a company to coordinate against Part B benefits whether a person is actually enrolled for that coverage or not and could potentially leave a person without any coverage. Our request was that the B Committee look at the application of secondary benefits for people who for one reason or another have or are eligible for Medicare and also have an individual health plan inside or outside of an exchange. In the absence of federal rules, and possibly federal authority in the individual market, we are concerned that issues involving Medicare and coordination of benefits will fluctuate from one state to another. The NAIC is the logical venue to discuss this and sort out some of the ground rules. The B Committee is the appropriate committee to discuss these issues of secondary coverage when someone has or is eligible for Medicare. I am therefore restating the request for the B Committee to discuss the issues of secondary coverage when a person has or is eligible for Medicare.

I should note that a number of national consumer groups have also been prodding CMS for answers to some of these and other difficult questions around Medicare and QHPs and have not yet gotten an official response.

SHIPs in particular will need guidance to help Medicare beneficiaries who come to them for help with these difficult situations. The B Committee might want to consider coordinating with the Senior Issues Task Force in these discussions.

Thanks for your help with this and please let me know if there is anything else I need to do. We believe that the Model needs to be reviewed to determine if there are conflicts with federal rules and how insurers should handle potential situations of secondary coverage with Medicare.

COMMITTEE REFERRAL RECOMMENDATION:

(A) (B) XXX (C)_____ (D)_____ (E)_____ (F)_____ (G)_____

ACTION REQUESTED/CHARGE RECOMMENDED:

NAIC ACTION:

RECOMMENDATION ACCEPTED: _____

RECOMMENDATION DECLINED: _____

Staff Support Feedback

Staff Support for the Health Insurance and Managed Care (B) Committee said he agrees with the content of Ms. Burns' email that she requested be pasted into this request format and noted that the B Committee has been looking at some of these issues involving Medicare and is waiting for a response from CCIIO and CMS.

Status Update

Staff Support noted that this request is not on any agenda at the Summer National Meeting. It is something the B Committee or the Senior Issues Task Force may look at between now and the Fall Meeting or at the Fall Meeting.

Still waiting for additional information from CCIIO and CMS before beginning any discussions at either the B Committee or at the Senior Issues Task Force. Possibly additional information will be received sometime next year and discussions can begin at that time. There are many issues that have to be resolved related to ACA implementation. This issue is one of many.

3/27/15 UPDATE: None at this time.