

NAIC CONSUMER LIAISON
REPRESENTATIVE RECOMMENDATION
TO THE EXECUTIVE COMMITTEE

(Please send completed form to Lois Alexander for processing)

RECOMMENDED BY: Timothy
Jost_____

DATE: 3/21/14 (see 3/27/15 update below)_____

ISSUE: regulation of limited benefit plans (short-term limited duration and fixed dollar indemnity plans)

COMMITTEE REFERRAL RECOMMENDATION:

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

ACTION REQUESTED/CHARGE RECOMMENDED: I would like to renew and expand my request of August 28, 2012. I attach this request, which was handwritten, but which had a typed memo attached. I request that the B Committee be charged to draft and circulate a bulletin directed both to carriers licensed to sell health and limited benefit policies and to producers licensed to sell health and limited benefit products. The bulletin would state that carriers that sell products that could conceivably be confused with comprehensive insurance—including fixed dollar indemnity plans and short-term, limited duration plans—should prominently disclose that this coverage is not minimum essential coverage and that the enrollee may have to pay the individual mandate penalty tax if the enrollee did not otherwise have minimum essential health coverage. The Bulletin would also request that producers who market limited benefit plans that consumes could confuse with comprehensive health insurance make certain that consumers understand that they may still owe the individual mandate tax penalty if they do not otherwise procure minimum essential coverage.

I would also urge the Executive Committee to charge the B Committee and the Regulatory Framework (B) Task Force to review expeditiously the Accident and Sickness Insurance Minimum Standards Model Act (#170), the Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171), the Uniform Individual Accident and Sickness Policy Provision Law(UPPL) (#180), and the Restatement of UPPL in Simplified Language (#185), to ensure that limited benefit coverage that is not regulated under the ACA is regulated adequately by state Departments of Insurance to protect health insurance consumers.

NAIC ACTION:

RECOMMENDATION ACCEPTED: _____

RECOMMENDATION DECLINED: _____

Staff Support Feedback

Staff Support for the Health Insurance and Managed Care (B) Committee said Timothy Jost's requests are that a bulletin be developed that the states can use to alert consumers that certain limited health benefit plans will not satisfy the minimum essential coverage requirements under the ACA and, as a result, consumers with this type of coverage could be subject to a penalty. In addition, he requests that the B Committee and the Regulatory Framework (B) Task Force be given charges to expeditiously review models #170, #171, #180 and #185.

Status Update

The Regulatory Framework (B) Task Force has already agreed to review and consider revisions to Models #170 and #171. The Task Force agreed to do this work at the Spring National Meeting and only upon completion of its work related to the *Managed Care Plan Network Adequacy Model Act* (#74). When the Task Force begins work on Models #170 and #171, which will most likely be in 2015, it can consider whether to develop a bulletin on the issues suggested by Tim Jost at that time because developing such a bulletin is closely related to any revisions the Task Force may decide to make to the models. Also, at the Spring National Meeting, the Task Force agreed that Model #100 would be the next model it would begin work on. There was no support for any other models being placed on the list for more immediate review and revision, including Models #180 and #185. All of these models, plus approximately 10 more NAIC models, were identified last year by the former ACA Model Review (B) Working Group as in need of review and possible revision as a result of the ACA. The Task Force is working with this list of models and identifying models and prioritizing this list as it continues its work in relation to its charge to "review the model law review recommendations from the Affordable Care Act (ACA) Model Review Working (B) Group, develop a prioritized work list of NAIC models recommended for revision and, if appropriate, appoint a working group to complete the work.—*Important* ." Given the number of models that are on the list, it is possible that the Task Force could decide to work on Models #180 and #185 sometime in 2015 with a 2016 charge, but only after it finishes all of its work on Models #170, #171 and #100.

The Regulatory Framework Task Force remains on-track to begin its review and possible revision of Models #170 and #171 in 2015 after it finishes its work on the *Managed Care Plan Network Adequacy Model Act* (#74).

3/27/15 UPDATE: No change.