2015 Spring National Meeting
Phoenix, Arizona

TERRITORIES (B) SUBGROUP
Sunday, March 29, 2015
7:30 – 8:00 a.m.
Sheraton Phoenix Downtown—Valley of the Sun D/E—2nd Level

ROLL CALL

Osbert Potter, Chair
U.S. Virgin Islands
Mark O. Rabauliman
Northern Mariana Islands

Tau Tanuvasa
American Samoa
Angela Wayne
Puerto Rico

Artemio B. Ilagan
Guam

AGENDA

1. Consider Adoption of its 2014 Fall National Meeting Minutes—Commissioner Osbert Potter (VI)

2. Discuss Potential Subgroup Activities in 2015—Commissioner Osbert Potter (VI)

3. Discuss Any Other Matters Brought Before the Subgroup—Commissioner Osbert Potter (VI)

4. Adjournment

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The Territories (B) Subgroup of the Health Care Reform Regulatory Alternatives (B) Working Group of the Health Insurance and Managed Care (B) Committee met in Washington, DC, Nov. 17, 2014. The following Subgroup members participated: John McDonald, Chair (VI); Artemio B. Ilagan (GU); and Angela Wayne (PR).

1. **Adopted its Aug. 17 Minutes**

Commissioner Wayne made a motion, seconded by Commissioner Ilagan, to adopt the Subgroup’s Aug. 17 minutes (Attachment Three-B1). The motion passed.

The Subgroup also met in regulator-to-regulator session April 28 pursuant to 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.

2. **Discussed the Impact of the HHS’ July 16 Policy Change in the Territories**

Mr. McDonald reported that, although the U.S. Virgin Islands had incorporated all the requirements of the federal Affordable Car Act (ACA) into its regulations by reference, issuers have determined that they no longer are subject to them, due to the July 16 letter of the U.S. Department of Health and Human Services (HHS). Mr. McDonald indicated that the U.S. Virgin Islands Division of Banking and Insurance disagrees with the HHS’ interpretation and believes that U.S. citizens living in the U.S. Virgin Islands should have all the same rights as other U.S. citizens. He also said that local elections may lead to some changes in the territory’s approach to ACA implementation. He said he would like to see the states join the Subgroup in order to help obtain changes to federal law needed to achieve equal treatment of the territories. He said the territories should discuss the changes they would like so that they can begin making their case.

Commissioner Wayne added that Puerto Rico has incorporated all aspects of the ACA into its requirements, so it continues to apply in the territory despite the federal action. She said there are a number of questions to be resolved, particularly with respect to the continued application of U.S. Department of Labor regulations to group health plans in the territories. She noted that regulatory changes referenced in the HHS’ July 16 letter have not yet been released. Commissioner Wayne added that the Section 9010 assessment on health insurance providers continues to apply in Puerto Rico, at a cost of $130 million to $140 million, to pay for a law that does not provide subsidies or a mandate to assist them. She said there are a number of questions to be resolved, particularly with respect to the continued application of U.S. Department of Labor regulations to group health plans in the territories. She noted that regulatory changes referenced in the HHS’ July 16 letter have not yet been released. Commissioner Wayne added that the Section 9010 assessment on health insurance providers continues to apply in Puerto Rico, at a cost of $130 million to $140 million, to pay for a law that does not provide subsidies or a mandate to assist them.

Commissioner Ilagan said Guam was surprised by the July 16 letter. He said Guam is enforcing some parts of the ACA, but not the market reforms, as the territory cannot afford them. He has asked HHS to look at the territories individually and how the ACA affects them. He noted that Guam has determined that establishing a health insurance exchange would obligate the territory to spend $74 million of its $710 million territorial budget to pay for advance premium tax credits. He said that he would like full inclusion under the ACA and agreed with Commissioner Wayne that the application of the Section 9010 assessment taxes the territories without providing any benefits in return. Commissioner Ilagan said that President Barack Obama recognized this problem when several commissioners met with him at the White House in April.

Having no further business, the Territories (B) Subgroup adjourned.

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Agenda Item #2

Discuss Potential Subgroup Activities in 2015: -- NO MATERIALS