Virtual Meeting  
(in lieu of meeting at the 2020 Fall National Meeting)  

REGULATORY FRAMEWORK (B) TASK FORCE  
Thursday, November 19, 2020  

Summary Report

The Regulatory Framework (B) Task Force met Nov. 19, 2020. During this meeting, the Task Force:

1. Adopted its Oct. 23, Sept. 24 and Summer National Meeting minutes, which included the following action:
   a. Adopted its 2021 proposed charges.
   b. Adopted revisions to the Health Maintenance Organization Model Act (430) to address inconsistencies and redundancies in the model with the provisions of the recently revised Life and Health Insurance Guaranty Association Model Act (520), which added health maintenance organizations (HMOs) as members of the guaranty association.
   c. Disbanded the Health Maintenance Organization (HMO) Issues (B) Subgroup.
   d. Discussed the work of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup’s work to develop and adopt a new NAIC model regulating pharmacy benefit managers (PBMs), the [State] Pharmacy Benefit Manager Licensure and Regulation Model Act (PBM Model Act).

2. Adopted the report of the Accident and Sickness Insurance Minimum Standards (B) Subgroup, which has not met since December 2019 due to the COVID-19 public health emergency and the resignation of one of its co-chairs.

3. Adopted the report of the Employee Retirement Income Security Act (ERISA) (B) Working Group, which met Nov. 12 in 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) of the NAIC Policy Statement on Open Meetings.

4. Adopted the report of the HMO Issues (B) Subgroup, which has not met since July 13 and June 24 because it has completed its work to adopt revisions to the Health Maintenance Organization Model Act (430) to address inconsistencies and redundancies in the model with the provisions in the Life and Health Insurance Guaranty Association Model Act (520), which added HMOs as members of the guaranty association. The Subgroup has been disbanded.

5. Adopted the report of the Mental Health Parity and Addiction Equity Act (MHPAEA) (B) Working Group, which met Oct. 6 in 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) of the NAIC Policy Statement on Open Meetings.

6. Adopted the report of the Pharmacy Benefit Manager Regulatory Issues (B) Subgroup, which met Oct. 29, Oct. 22, Oct. 8, Oct. 1, Sept. 24 and Sept. 14, but did not include adopting the proposed PBM Model Act. During these meetings, the Subgroup took the following action:
   a. Discussed the Sept. 1 comments received on the draft proposed PBM Model Act.
   b. Adopted the proposed PBM Model Act.

7. Exposed the proposed PBM Model Act for an additional 30-day public comment period.

8. Heard a presentation on “Protect Consumers from Individual Health Insurance Marketing & Sales Abuses.” The presentation highlighted the seriousness of the issue of marketing and sales abuses related to non-federal Affordable Care Act (ACA) health benefit plans and the resulting harm to consumers. The presentation also discussed secret shopping experiences and how those experiences exposed the various deceptive sales practices, including high-pressure sales tactics, misleading use of insurer logos and names and the types and scope of plan benefits offered. The presentation also included specific actions state insurance regulators and the NAIC can take to address these concerns.

10. Discussed potential next steps regarding health care sharing ministries (HCSMs). The Task Force decided to defer making a decision and to revisit the discussion during its meeting at the 2021 Spring National Meeting.