

To: Regulatory Framework (B) Task Force
From: HMO Issues (B) Subgroup
Date: November 2, 2018
Re: Recommendation to Open *Health Maintenance Organization Model Act* (#430)

The HMO Issues (B) Subgroup was charged working on the referral from the Receivership and Insolvency (E) Task Force to review relevant NAIC HMO models that may be impacted by the revisions to the Life and Health Insurance Guaranty Association Model Act (#520). The Subgroup reviewed models and identified one that it recommends opening: the *Health Maintenance Organization Model Act* (#430).

The Subgroup received input from NAIC staff, conducted two conference calls, and reviewed written comments from stakeholders. Members of the Subgroup identified conflicts and redundancies between Model 520 and Model 430. Some interested parties voiced opposition to opening Model 430, stating that it was premature and that states have what they need in Model 520, particularly given variation across states in HMO regulation. Members of the Subgroup, however, concluded that Model 430 should be revised to help resolve identified conflicts. On November 1, 2018, the Subgroup voted unanimously to make this recommendation to open Model 430.

One issue that came up in discussion was whether the entirety of the HMO Model Act should be opened for revision, or only the specific areas of conflict. While the Subgroup does not make a recommendation on this issue, it urges the Task Force to consider this question and provide guidance in writing a charge to open Model 430.

Please contact NAIC staff support, Jolie Mathews (jmathews@naic.org) or Joe Touschner (jtouschner@naic.org), if you have any questions.