



November 28, 2023

Accident and Sickness Minimum Standards Subgroup
National Association of Insurance Commissioners
444 North Capitol Street NW
Suite 700
Washington, DC 20001
Attention: Jolie Matthews, J.D., Senior Health and Life Policy Counsel

Re: Model 171

Dear Ms. Matthews:

Thank you for soliciting comments Model 171. As a minimum standards model, this model differs significantly from many other NAIC models. The insurers offering this coverage may offer coverage that meets the minimum standard for consumers requesting low-cost policies, but most also offer policies that exceed these standards. These coverages allow consumers to fill their particular needs. Our members support consumer choice, strong consumer-friendly disclosures, and consistent minimum standards that will protect consumers and will not limit the availability of coverage to people who can least afford it. By and large, we believe Model 171 delivers on this promise.

The Health Benefits Institute is policy organization supported by agents, brokers, insurers, employers, benefit platforms and others seeking to protect the ability of consumers to make their own health care financing choices. We support policies that expand consumer choice and control, promote industry standards, educate consumers on their options and foster high quality health outcomes through transparency in health care prices, quality, and the financing mechanisms used to pay for care.

We strongly support the working group's efforts not to relitigate policy questions as stated below:

Also, as discussed during the Subgroup meetings, the Subgroup does not want comments rehashing discussed and resolved policy issues.

Model 170 and 171 have long history of being a model that regulates "other" coverage. This model covers a variety of different products (disability insurance, hospital or other fixed indemnity insurance, specified disease, and short-term limited-duration health insurance) that operate very differently. We believe that Model 171, as it currently stands, strikes the right balance between ensuring consumer access and consumer protection. Our members do not want their products to be confused with ACA or other major medical products nor do insurers want an unscrupulous salesperson bundling products from multiple insurers to confuse consumers. Our specific comments on the draft are below:

Pre-existing Conditions

HBI supports keeping the proposed definition, and applying the same language to short-term-limited duration.

Drafting Note: The laws of the states relating to the type of providers' services recognized in health insurance policies are not uniform. References to the individual state law may be required in structuring this definition.

J. (1) Except for short-term, limited duration health insurance, "preexisting condition" means a condition for which medical advice or treatment was recommended by a physician or received from a physician within a [two-] year period preceding the effective date of the coverage of the insured person."

NOTE TO THE SUBGROUP: THE SUBGROUP NEEDS TO RETURN TO THIS DEFINITION TO DISCUSS A DEFINITION FOR STLD PLANS TO INCLUDE IN PARAGRAPH (2) BELOW. THE SUBGROUP SHOULD ALSO CONSIDER IF SUCH A DEFINITION IS NEEDED.

Malformed Body Part

HBI generally supports the additional language added to clarify coverage. However, it is our belief that the proposed revision is likely already covered under the existing language and is very similar to the language that follows.

5) Cosmetic surgery, except that "cosmetic surgery" shall not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection or other diseases of the involved part, and reconstructive surgery because of congenital disease, *to improve the function of a malformed body part* or anomaly of a covered dependent child that has resulted in a functional defect;

NOTE TO THE SUBGROUP: THE SUBGROUP AGREED TO ADD THE ITALIZED LANGUAGE IN PARAGRAPH (5) ABOVE SUBJECT TO SOMEONE PROVIDING CLARITY ON THE MEANING OF "MALFORMED."

Use of Term "Spouse"

HBI has no strong feelings on the issue, we would note that the term is gender neutral, applies to both members of various legal partnerships, and implies a legal relationship to the insured person. The term applies regardless of legal status – marriage, domestic partnership, or common law marriage. It is a commonly used term inside insurance policies and would not need to be re-defined.

Regardless of the specific term, a term is necessary to protect both partner's rights in a legal relationship, which may include specific continuation rights in case of death or divorce.

Short-Term Cancellation

We believe the model includes a very consumer protective cancellation policy for short-term limited duration plans. We do not believe any of the proposed changes should be removed.
language:

DEPENDING ON THE NUMER OF STATES THAT ALREADY HAVE SUCH LANGUAGE IN THEIR LAWS AND REGULATIONS ESTABLISHING GENERAL CANCELLATION REQUIREMENTS FOR ALL COVERAGES, INCLUDING STLD PLAN COVERAGE.

- (7) A carrier may not cancel a short-term, limited-duration health insurance plan during the coverage period except in the following circumstances:
 - (a) Nonpayment of premium;
 - (b) Violation of the carrier's published policies approved by the commissioner;
 - (c) An insured's commitment of fraudulent acts as to the carrier;
 - (d) An insured's material breach of the health plan; or
 - (e) A change or implementation of a federal or a state law or regulation that no longer permits the continuing offering of the coverage.

We hope you find these comments helpful. Please do not hesitate to contact me if you have further questions at jpwieske@thehealthbenefitsinstitute.org or (920) 784-4486.

Sincerely

A handwritten signature in green ink, appearing to read 'JP Wieske', with a long horizontal flourish extending to the right.

JP Wieske
Executive Director