



June 28, 2019

Commissioner Glen Mulready, Co-Chair
Melinda Domzalski-Hansen, Co-Chair
Accident and Sickness Insurance Minimum Standards (B) Subgroup
National Association of Insurance Commissioners
444 North Capitol Street, NW, Suite 700
Washington, DC 20001

Via e-mail: jmattthews@naic.org

Dear Co-Chairs Mulready and Domzalski-Hansen:

On behalf of America's Health Insurance Plans (AHIP), we write to offer comments to the NAIC Accident and Sickness Insurance Minimum Standards (B) Subgroup regarding the review and revision of NAIC Model 171, the *Model Regulation to Implement the Supplementary and Short-Term Health Insurance Minimum Standards Model Act*.

AHIP is the national association whose members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers. Our members are committed to providing consumers with affordable products that offer a broad range of robust provider networks of quality, cost-efficient providers.

Principles for Review and Revision of Model 171

As discussed during the Subgroup's organizational call on June 17, AHIP believes that that process of reviewing and revising Model 171 will be more efficient and effective if the Subgroup adheres to four key principles identified on the call.

- AHIP supports not reopening or relitigating issues that were already discussed and decided on during the Model 170 revision.
- AHIP supports acknowledging up front that Model 171 reflects minimum standards. We support states having the flexibility to decide whether these minimum standards in Model 171 should be modified if appropriate for their specific markets.
- AHIP supports excluding details or topics that were not included in Model 170.
- Supplemental health insurance markets, governed by Model 171, are stable and working well. AHIP supports not introducing changes or new requirements that could be disruptive or lead to diminished consumer access and choice.

In addition to these key principles that would guide our discussions efficiently, we also recommend several considerations that would improve consumer understanding and limit any confusion among the types of coverages addressed by this Model. We encourage the Subgroup to develop:

Separate Sections for Short-Term Limited Duration Insurance and Supplemental Coverages

The *Supplementary and Short-Term Health Insurance Minimum Standards Model Act* (Model 170) reflects a clear distinction between standards for short-term limited duration health insurance and the supplemental coverages governed under the Model. AHIP strongly urges the Subgroup to maintain this distinction in Model 171 revisions. This means that applicable minimum standards for each product should be incorporated into Model 171 as separate and distinct sections. For example, Section 7 currently does not clearly define to what product any given provision would apply, but not all of the provisions reasonably pertain to supplemental products and instead are relevant only for expense-incurred products. STLDI is not a HIPAA-excepted benefit, and it should not be lumped in with the other supplemental coverages that fall under this model and are HIPAA-excepted.

Adequate Disclosures Applicable to Each Product Type

AHIP supports disclosure as a vital consumer protection and encourages the Subgroup to maintain flexibility to ensure that consumers have the necessary information to make appropriate coverage decisions. We look forward to working with the Subgroup on the modernization of disclosures and the delivery of the information that consumers need for fully informed decisions.

Distinctions Between Standards for Group and Individual Coverage

Group and individual insurance coverages are marketed, sold, and administered differently. Standards bearing on certain aspects of insurance policies or insurer practices must recognize such differences. For instance, minimum standards must accommodate the practical differences of communicating with insureds under group and individual coverage.

We appreciate the opportunity to respond to your request for comments. If you have any questions, or would like to discuss any of these comments, please contact us at (202) 861-1497 or contact AHIP consultant Chris Petersen at (202) 247-0316.

Sincerely,



Heather E. Jerbi
Executive Director, Product Policy



Winthrop S. Cashdollar
Executive Director, Product Policy