



July 30, 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: jmatthews@naic.org

Dear Co-Chairs Mulready and Domzalski-Hansen:

On behalf of America's Health Insurance Plans (AHIP), we offer the following comments on Sections 1 through 5 of the staff working draft 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.

General Comments

In addition to acknowledging the four key principles the Task Force has adopted as guideposts for its ongoing discussion of Model 171 revisions, AHIP would like to offer the following general comments – applicable to Sections 1 through 5, as well as the remainder of the Model's Sections.

Short-Term Limited Duration Insurance (STLDI) 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 the revised Model 171.

Consider that several of the definitions in the Model, as well as those that have been recommended for addition, may apply to STLDI but have no applicability to supplemental coverages. For example, recommended changes to the definition of "preexisting condition" are intended to align the definition with the requirements under the Affordable Care Act (ACA), which is applicable to comprehensive major medical coverage but not to supplemental health insurance (or HIPAA-excepted benefits). As such, a 6-month lookback period would not be appropriate for most supplemental insurance products. In this case, the definition section would need to specify one lookback period for STLDI and indicate a separate definition for supplemental health insurance (see recommendations below). Similarly, the definition of "rescission" could mean different things for supplemental health insurance than for STLDI or comprehensive medical coverage.

Focus on Addressing Product Standards Instead of Issues Outside the Scope of the Model Act and Regulation

AHIP supports the Subgroup’s agreement to ensure that Model 171 continues to reflect minimum insurance product standards only. It is also important to remember that this Model is not intended to address marketing standards, medical loss ratio requirements, or unfair trade practices – there are other NAIC Models that specifically address those issues. As such, we encourage the Subgroup to ensure that provisions or issues that are not relevant to this Model Regulation are not entertained and/or incorporated.

Technical Comments

- Section 5(D)(2), definition of “hospital”: We recommend adding “(e) facilities existing primarily to provide psychiatric services” to the list facilities that would not be included in the definition of “hospital.” Given concerns about moving to an overly broad definition of hospital in general, we would also recommend considering the addition of a drafting note that would provide states with the flexibility to establish their own definition of “hospital.” As we have seen from several plans, states already vary widely in the terminology used to define “hospital.”
- Section 5(K), definition of “preexisting condition”: As noted in our general comments above, we strongly recommend separate definitions for STLDI and supplemental health insurance. The lookback period for supplemental health insurance products would require no change; however, the definition for STLDI could reflect a shorter period as appropriate for major medical coverage. If the definition is not broken out by product, we strongly recommend using X-brackets for the period of time and include a drafting note that allows state flexibility to set their own lookback periods.
- Section 5(K), drafting note under “preexisting condition.” We have significant concerns with expanding the drafting note to require providing notice to the prospective insured about what services are not covered. Obviously, it is difficult and impractical to provide an exhaustive list, particularly for supplemental health insurance.

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,



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