



**BlueCross BlueShield  
Association**

An Association of Independent  
Blue Cross and Blue Shield Plans

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March 18, 2020

The Honorable Don Beatty, Chair  
HMO Issues (B) Subgroup  
National Association of Insurance Commissioners  
444 North Capitol Street, N.W.  
Suite 700  
Washington, D.C. 20001-1512

Via email: Jolie Matthews, [JMatthews@naic.org](mailto:JMatthews@naic.org)

**RE: BCBSA Comments on Proposed Revisions to the NAIC Health Maintenance  
Organization Model Act (#430)**

Dear Deputy Commissioner Beatty:

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to provide comments on draft revisions to the *NAIC Health Maintenance Organization Model Act (#430)* (Model Act).

BCBSA is a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield (BCBS) companies that collectively provide healthcare coverage for one in three Americans. For 90 years, BCBS companies have offered quality healthcare coverage in all markets across America – serving those who purchase coverage on their own as well as those who obtain coverage through an employer, Medicare and Medicaid.

BCBSA supports regulators' goal to update the NAIC Health Maintenance Organization Model Act (#430). We recognize the need to modernize the Model Act now that the Life and Health Insurance Guaranty Association Model Act (# 520) covers HMOs as member insurers.

We realize that an arrangement to continue coverage and special deposits to fund claims in case of an HMO insolvency are unnecessary because the life and health insurance guaranty association will continue coverage until individuals can obtain new coverage through special or regular enrollment and will pay unpaid claims (up to statutory limits). Further, we agree that these changes are appropriate to make it easier for the liquidator to gather the assets of the insolvent HMO for use by the liquidator to benefit all claimants against the insolvent HMO.

We also support leaving in place a requirement for healthcare providers to hold members harmless in the case of HMO insolvency, even though the life and health guaranty association will pay claims if there is an HMO insolvency. The requirement for providers to hold members harmless in an HMO insolvency is important to prevent surprise bills arising from the insolvency.

As to the Drafting Note proposed to follow § 2 of the Model Act (see page 2 of the draft Model Act), we prefer Option 2. It is briefer and more to the point and, thus, more likely to be reasonably well understood by users of the Model Act.

Comment Letter  
Proposed Revisions to the  
NAIC Health Maintenance Organization  
Model Act (#430)  
March 18, 2020  
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We appreciate your consideration of our comments. We look forward to continuing to work with you on HMO and insolvency issues. If you have any questions or want additional information, please contact me at [clay.mcclure@bcbsa.com](mailto:clay.mcclure@bcbsa.com) or 202.626.8649.

Sincerely,

A handwritten signature in cursive script that reads "Clay McClure".

Clay McClure  
Executive Director, State Relations  
Blue Cross Blue Shield Association