



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

1310 G Street, N.W.
Washington, D.C. 20005
202.626.4800
www.BCBS.com

July 30, 2019

The Honorable Glen Mulready, Co-Chair
The Honorable Melinda Domzalski-Hansen, Co-Chair
Accident and Sickness Insurance Minimum Standards (B) Working Group
National Association of Insurance Commissioners
444 North Capitol St., NW Ste 700
Washington, D.C. 20001-1512

Via email: Jolie Matthews, JMatthews@naic.org

**RE: BCBSA Comments on Sections 1 through 5 of Model Regulation to Implement the
Accident and Sickness Insurance Minimum Standards Model Act (#171)**

Dear Commissioner Mulready and Director Domzalski-Hansen:

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to provide comments on draft revisions to *the Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171)*, specifically as it relates to Sections 1 through 5 of the working draft.

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 recommends that the language in Section 3(A) and Section 5 related to short-term, limited-duration health insurance be modified to ensure it is clear that the Model Regulation applies to short-term, limited-duration coverage issued through out-of-state group trusts or associations and be consistent with the *Supplementary and Short-Term Health Insurance Minimum Standards Model Act (#170)*. This can be accomplished by incorporating the definition of short-term, limited-duration insurance into the Model Regulation, which is clearly applicable to coverage where the policy or contract is delivered in another state. Next, references to “short-term, limited-duration health insurance coverage” and “short-term, limited-duration health insurance policy” should reference the defined term. Finally, we recommend including the language “regardless of the situs of the delivery of the contract” from the definition in Section 3, Applicability and Scope for additional clarity.

Section 3. Applicability and Scope

- A. This regulation applies to all individual and group insurance policies and certificates providing hospital indemnity or other fixed indemnity, accident only, specified accident, specified disease, limited benefit health and disability income protection, referred to collectively in Section 1 of the Act and hereafter, as “supplementary health insurance,” delivered or issued for delivery in this state on and after [insert effective date] that are not specifically exempted from this regulation. This regulation also applies to short-term, limited-duration health insurance ~~coverage~~ delivered or issued for delivery in this state regardless of the situs of the delivery of the contract on and after [insert effective

date], which, unless otherwise specified, is included in the definition of “short-term health insurance” under the Act.

Section 5. Policy Definitions

- A. Except as provided in this regulation, a supplementary policy or short-term, limited-duration ~~health insurance policy~~ delivered or issued for delivery to any person in this state and to which this regulation applies shall contain definitions respecting the matters set forth below that comply with the requirements of this section.
- L. “Short-term, limited-duration insurance” means health insurance coverage offered or provided within the state pursuant to a contract by a health carrier, regardless of the situs of the delivery of the contract, that has an expiration date specified in the contract that is less than [X days or months] after the original effective date and, taking into account any extensions that may be elected by the policyholder with or without the carrier’s consent, has a duration no longer than [X days or months] after the original effective date of the contract.

Additionally, it is important that there be separate sections for short-term, limited-duration insurance and supplemental coverage, similar to the approach used in the Model Act. Short-term, limited-duration insurance is not a HIPAA-excepted benefit, and the benefit design is very different from supplemental coverage. Mixing the requirements for the two product types in the same sections could result in confusion and unintended consequences.

We appreciate your consideration of our comments. If you have any questions or want additional information, please contact BCBSA Managing Director of State Affairs Jeremy Crandall at 202.626.4802 or jeremy.crandall@bcbsa.com.

Sincerely,



Kris Haltmeyer
Vice President of Legislative and Regulatory Policy