1. Description of the project, issues addressed, etc.

The Group Coverage Discontinuance and Replacement Model Regulation incorporates requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA). In addition, the amendments to the model regulation comply with a bulletin issued by the Centers for Medicare & Medicaid Services. This regulation outlines the requirements that group carriers must follow when a group health benefit plan is discontinued and replaced with a plan of similar benefits, including the extent to which the prior carrier is liable for payment of benefits. The amendments also specify the requirements that both the prior carrier and the succeeding carrier must follow with respect to disabled individuals to be enrolled in the succeeding carrier’s health benefit plan.

2. Name of group responsible for draft the model:

Regulatory Framework (B) Task Force

States Participating:

- Wisconsin, Chair
- Arizona
- California
- Delaware
- District of Columbia
- Florida
- Hawaii
- Idaho
- Illinois
- Indiana
- Kansas
- Maryland
- Mississippi
- Missouri
- Montana
- New Hampshire
- New Mexico
- North Carolina
- Ohio
- Oklahoma
- Pennsylvania
- South Dakota
- Vermont
- Virginia
- Washington

3. Project authorized by what charge and date first given to the group:

The following charge was given to the Regulatory Framework (B) Task Force in 1999:

Consider the revision of NAIC model laws and regulations affected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and final federal regulations promulgated pursuant to HIPAA to comport with the requirements of HIPAA and final federal regulations.

4. A general description of the drafting process (e.g., drafted by a subgroup, interested parties, the full group, etc). Include any parties outside the members that participated.

The proposed revisions to the model regulation were drafted by the task force. Numerous interested parties participated, including insurance industry representatives, such as the American Association of Health Plans (AAHP), the Health Insurance Association of America (HIAA), and the BlueCross BlueShield Association (BCBSA); and representatives of key federal agencies, the Department of Labor (DOL) and the Centers for Medicare & Medicaid Services (CMS).

5. A general description of the due process (e.g., exposure periods, public hearings, or any other means by which widespread input from industry, consumers and legislators was solicited.)

Beginning with the 2000 NAIC Winter National Meeting, drafts of the proposed revisions to the model regulation were reviewed and discussed at each National Meeting. Comments were requested throughout the drafting process. In addition, all of the drafts of the proposed revisions to the model regulation were posted on the NAIC web site.
6. A discussion of the significant issues (items of some controversy) raised during the drafting process and the group’s response.

There were no significant issues raised during the drafting process.