

## PROJECT HISTORY REPORT - 2007

### MODEL REGULATION TO IMPLEMENT THE SMALL EMPLOYER HEALTH INSURANCE AVAILABILITY MODEL ACT (PROSPECTIVE REINSURANCE WITH OR WITHOUT AN OPT-OUT) (#119)

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

The NAIC Model Regulation to Implement the Small Employer Health Insurance Availability Model Act (Prospective Reinsurance With or Without an Opt-Out) is the model regulation that implements the provisions of the NAIC Small Employer Health Insurance Availability Model Act. The proposed amendments revise the model regulation to be consistent with the model act and make other revisions consistent with the recently published final group portability regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

#### 2. Name of group responsible for draft the model:

Regulatory Framework (B) Task Force members in 2006

##### States Participating:

Wisconsin, Chair	Missouri
Arkansas	Nebraska
California	Nevada
Colorado	New Hampshire
Delaware	North Carolina
Florida	Ohio
Idaho	Rhode Island
Iowa	South Dakota
Kansas	Utah
Kentucky	Vermont
Maine	Virginia

#### 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 amendments to the model regulation were drafted by the task force.

#### 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 NAIC 2005 Spring National Meeting, drafts of the proposed revisions were reviewed and discussed at each National Meeting. Comments were requested and were received and considered throughout the drafting process. In addition, all of the drafts of the proposed revisions 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 other than questions from some interested parties on the rationale for revising the rating provisions in this model regulation to be consistent with the rating provisions in the model act. When the model act was revised to include adjusted community rating, the model regulation was not revised accordingly. The Task Force decided not to address this issue due to the scope of its charge. In order to look into this issue, the Task Force would need a different charge.

**7. Any other important information (e.g., amending an accreditation standard).**

None.