



601 Pennsylvania Avenue, NW T 202.778.3200  
South Building, Suite 500 F 202.331.7487  
Washington, D.C. 20004 ahip.org

May 27, 2022

Laura Arp, Co-Chair  
Andrew Schallhorn, 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](mailto:jmatthews@naic.org)

Dear Co-Chairs Arp and Schallhorn:

AHIP<sup>1</sup> appreciates the opportunity to provide comments on the proposed definition of “Hospital and Other Fixed Indemnity Coverage” to be included in Model #171, the *Model Regulation to Implement the Supplementary and Short-Term Health Insurance Minimum Standards Model Act*. AHIP offers the following comments on the proposed definition:

### **Minimum Benefit Period**

In the proposed new subsection 2, AHIP believes that a minimum benefit period of “not less than thirty-one (31) days during each period of confinement” is too lengthy and costly for a minimum standard, and we therefore recommend removing the minimum benefit requirement. Our members report that there are a variety of hospital indemnity products with smaller minimum benefit periods currently available or that will soon be available in the market. These products are often purchased by individuals, including seniors, whose health plans may include an inpatient hospital copay for the first few days of confinement, the duration of which may be only a few days. AHIP additionally notes that removing this language will eliminate the need for updates to the model to keep up with current trends, such as shorter average inpatient hospital stays.

### **Broadening the Definition to Include More Robust Benefits**

As drafted, the definition in subsection 1 is too narrow and might unintentionally exclude more robust benefit structures, such as those that might include outpatient procedures, diagnostic testing, or physician office visits, among others. AHIP recommends striking “health-related” and inserting “specified” into the definition in subsection 1 to allow for the inclusion of these benefits, as shown below.

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<sup>1</sup> AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit [www.ahip.org](http://www.ahip.org) to learn how working together, we are Guiding Greater Health.

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“Hospital indemnity or other fixed indemnity coverage” provides a benefit for hospital confinement or another specified health-related event based on a fixed dollar amount, regardless of the amount of expenses incurred, without coordination with any other health coverage, and consistent with the requirements for excepted benefits under 42 U.S.C. §300gg-91(c)(3) and its implementing regulations.

AHIP appreciates the opportunity to provide the Subgroup with comments. If you have any questions or would like to discuss the comments, please reach out via email ([mstringer@ahip.org](mailto:mstringer@ahip.org)) or contact AHIP consultant Chris Peterson at (202) 247-0316.

Thank you,



Meghan Stringer  
Senior Policy Advisor  
Product and Commercial Policy