



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

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August 24, 2018

Mr. J.P. Wieske
Accident and Sickness Insurance Minimum Standards Subgroup
National Association of Insurance Commissioners
444 North Capitol Street, NW
Suite 700
Washington, DC 20001-1512

Via email: jmatthews@naic.org

RE: Revisions to Accident and Sickness Insurance Minimum Standards Model Act (#170)

Dear Mr. Wieske:

The Blue Cross Blue Shield Association (“BCBSA”) appreciates the opportunity to provide comments on the Accident and Sickness Insurance Minimum Standards Model Act (#170), exposure draft dated July 23, 2018.

BCBSA is a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield (BCBS) companies that collectively provide health care coverage for one in three Americans. For more than 80 years, BCBS companies have offered quality health care 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 appreciates the significant work by the NAIC Accident and Sickness Insurance Minimum Standards (B) Subgroup to update Model 170 and the companion regulation. We believe these models will assist states in their efforts to address the marketing and sale of non-Affordable Care Act (ACA) compliant “ancillary” insurance products, including short-term limited duration insurance plans. **We urge states to establish guardrails on short-term plans and adopt these model standards once finalized to ensure a level playing field and protect consumers in their state.**

Swift action by states is critical now that federal regulations have greatly expanded access to short-term plans as an alternative to ACA coverage. The Final Rule on short-term limited duration insurance was published in the Federal Register on August 3, 2018 (83 Fed. Reg. 38212). The rule allows a contract term of less than 12 months and a total maximum coverage duration up to 36 months including renewals or extensions. It also adopts revised notice requirements for short-term limited duration plans. **In light of these federal changes, we encourage the subgroup to update the definition of short-term limited duration insurance in Section 3J of the Model Act and corresponding drafting note to reflect the provisions of the Final Rule, as well as the consumer disclosure in Section 6K.**

In addition, we support the recent changes to Model 170 that make it clear that short-term coverage offered or provided to residents in the state is subject to the act, even if such coverage is issued outside the state. This is important because short-term plans are often sold through group trusts and associations which are domiciled in states with lax regulation for “group” coverage and offered to consumers in other states, thus avoiding the more stringent states’ regulations.

We appreciate your consideration of our comments. Again, we hope that once these models are in place, states will act swiftly to establish appropriate limits on short-term plans – particularly with regard to the use of out-of-state group trusts and associations to circumvent local state regulation.

If you have any questions or want additional information, please contact Jeremy Crandall at (202) 626-4802 or jeremy.crandall@bcbsa.com.

Sincerely,

A handwritten signature in cursive script that reads "Kim Holland". The signature is written in black ink and is positioned above the typed name and title.

Kim Holland
Vice President, State Affairs