



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

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July 11, 2019

Assemblywoman Pamela Hunter
New York State Assembly
LOB 553
Albany, NY 12248

Representative Tom Oliverson
Texas House of Representatives
Room E2.720
Austin, TX 78768

RE: BCBSA Comments on Proposed NCOIL Short Term Limited Duration Insurance Model Act

Dear Assemblywoman Hunter and Representative Oliverson,

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to provide comments on the proposed National Council of Insurance Legislators' (NCOIL) "Short Term Limited Duration Insurance Model Act."

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.

We share your goal of helping consumers have access to quality, affordable health insurance that works best for them and their families. It is critical that short-term, limited-duration (STLD) policies continue to be regulated in a manner that offers coverage to those with true short-term needs without further destabilizing the individual market. As such, we have the following concerns with the current Model as proposed:

- Section 3(c)(1) should be modified as follows: “may be renewed for a period specified in the policy or certificate of up to for the greater of:” as the current language could be read to require a 36-month policy duration based on the current federal requirements, rather than the option of a duration up to a total of 36 months.
- Section 3 should define “preferred provider organization,” which is used in Section 6. We would also recommend retitling Section 6, “Preferred Provider Plan Requirements,” to “Network Based Plan Requirements” as there are multiple types of network-based plans, such as ones that use exclusive provider networks.
- Section 4(b)(2) should be revised as follows: “(2) the covered individual enrolls in a new ~~renews the~~ short term insurance plan beyond the periods described in subdivision (1).” When an individual exceeds the duration limit in subdivision (1), a new policy must be issued. This is not a renewal, but rather a new enrollment.

- Section 5. Coverage Requirements – BCBSA recommends adding outpatient prescription drug and mental health benefits to the required benefits. Today, an individual could face tens or even hundreds of thousands of dollars of unexpected, uncovered prescription drug expenses to treat life-threatening conditions that develop while they are covered under a short-term insurance plan. Furthermore, mental health coverage is a federally mandated benefit that is also required by law in many states. Requiring coverage for these benefits for STLD policies helps protect consumers from significant medical expenses and/or ensuring they can get the care they need at the time of the initial diagnosis.
- Section 7. Disclosure Requirements – BCBSA recommends including additional language within Section 7 to provide clarification for consumers who may be unaware what the 10 essential health benefit categories are and that the STLD policy may not provide appropriate or adequate coverage for their needs. Section 7(a)(1) should read as follows: “(1) That the short term insurance plan is not required to include coverage for all ten (10) of the essential health benefits required under the PPACA and specify the essential health benefits where no coverage is offered.”

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

Sincerely,



Kris Haltmeyer
Vice President of Legislative and Regulatory Policy
Blue Cross Blue Shield Association

Cc: Rep. Martin Carbaugh, Indiana House of Representatives