



Broad U.S.-EU Trade Deal Gains Momentum, Congressional Support

After 20 years of on-and-off talks regarding a possible U.S.-EU trade pact, officials in the world's two largest economies have moved forward in earnest with a comprehensive agreement dubbed the Transatlantic Trade and Investment Partnership. The agreement, according to U.S. and EU officials and various trade experts, aims to jumpstart the two struggling economies and to present a more united front against China's growth as a trade powerhouse.

Negotiations are expected to begin in June, with final agreement reached by 2015. Officials are optimistic about the possibility of success this time around thanks to a February 12 recommendation of a high-level working group of U.S. and EU officials. The working group—after approximately one year of discussion—says there is now enough common ground to make a comprehensive trade

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SAVE THE DATE!
Visit www.ncoil.org for info on future meeting dates and locations.

NCOIL PLANS 2013 DEVELOPMENT OF MODEL TO CURB OPIOID ABUSE

Spurred to action by the rising costs of opioid abuse, both human and financial, NCOIL legislators in 2013 will pursue development of model legislation to help guide states seeking effective reform. The Workers' Compensation Insurance and Health, Long-Term Care & Health Retirement Issues Committees initiated this year's effort by scheduling a special joint session at the Spring Meeting to hone in on specific legislative options and will debate model language at the Summer and Annual Meetings.

Of particular interest to legislators so far is a multi-faceted April 2012 Kentucky reform law that significantly expanded KASPER, or the Kentucky All

Schedule Prescription Electronic Reporting system, as well as tightened prescribing practices and moved to shut down so-called "pill mills."

Under HB 1, which became effective last July, all practitioners and pharmacists must register with KASPER. Practitioners must run KASPER reports prior to prescribing or dispensing drugs like Oxycontin and Xanax and must check the electronic monitoring program at least once every three months before issuing any refills. Anyone who dispenses controlled substances specified in HB 1 must report their actions within 24 hours of doing so. HB 1 also allows for greater *(cont. on page 2)*

FINANCIAL SERVICES COMMITTEE SUBMITS 2013 GAME PLAN

In February, the U.S. House Committee on Financial Services laid out its 2013 agenda in a 21-page document itemizing what the Committee plans to address and why. The oversight plan—developed in accordance with House of Representatives rules—spotlights dozens of Dodd-Frank Act implementation concerns.

It also identifies things like Basel III capital standards, corporate governance, credit rating agencies, credit scores, the Federal Reserve Board,

Department of Housing & Urban Development (HUD) programs, international accounting standards, the International Monetary Fund (IMF), municipal bonds, the National Flood Insurance Program (NFIP), the Securities & Exchange Commission (SEC), the Terrorism Risk Insurance Program (TRIP), trade agreements, and many other items.

Following are excerpts from the Committee oversight plan that may be of particular interest to state insurance legislators. *(cont. on page 3)*

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deal possible.

The proposed Partnership has **significant Congressional support**. In a March 3 commentary in the *Financial Times*, Sen. Max Baucus (D-MT), Chair of the Senate Committee on Finance, wrote that the U.S.-EU agreement “would be the biggest trade deal since the World Trade Organisation was founded nearly 20 years ago. It would be of such great value to both economies that it **must be treated as a top priority** for the US administration and Congress.”

“There is widespread agreement,” Baucus continued, “that the potential benefits – including support for millions of American jobs – are simply too big to be left on the table. The support is there. **It is time to act.**”

In addition, in a February 20 letter from Senators Rob Portman (R-OH), Bill Nelson (D-FL), and a bi-partisan group of 15 other senators, lawmakers said, “We encourage [the Obama Administration] to seek elimination of **unnecessary trade and regulatory barriers** in all sectors, including difficult areas like agriculture and services...As the global economy looks for concrete policies and actions to spur growth,

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Healthcare Reform to Play Key Role at NCOIL in 2013

Healthcare experts, federal officials, consumer advocates, agents, insurers, physicians, pharmaceutical reps, hospital groups, and employers are among the voices expected to be heard during NCOIL’s 2013 exploration of Affordable Care Act (ACA) impacts and implementation.

Legislators’ comprehensive look at what ACA means for the healthcare system—including development of complex new health benefit exchanges—starts with a special Legislator Q&A with Federal Health Agency Representatives on March 9, during the NCOIL Spring Meeting in DC. Gary Cohen, Deputy Administrator and Director of the Center for Consumer Information & Insurance Oversight (CCIIO) partici-

NCOIL Plans...

coordination among state agencies, including law enforcement, regarding KASPER data.

The KY law addresses prescribing practices by mandating that physicians, before prescribing certain drugs, do complete diagnostic exams, as well as query KASPER, make written treatment plans, discuss with patients the potential for drug dependency, obtain patient consent, and other things. Efforts are underway to exempt products like codeine-based cough formulas and anti-anxiety drugs in order to focus on chronic pain meds.

pates, as does David Mineta, Deputy Director of Demand Reduction in the White House Office of Drug Control Policy, and Robert H. Shriver III, Assistant Director of National Healthcare Operations (NHO) with the U.S. Office of Personnel Management (OPM).

Also at the meeting, an exclusive March 9 legislator luncheon workshop offers a chance to hone in on what ACA means for hospitals. The session, entitled *Hospitals & Healthcare Reform: What Does the Affordable Care Act Mean for Facilities Big and Small?* is conducted by the Griffith Insurance Education Foundation and addresses reimbursement and other payment changes that hospitals must accommodate, as well as possible quality-of-care impacts.

Regarding pill mills, HB 1 requires all pain management facilities to be owned only by licensed physicians and be operated by a pain management specialist, among other things.

The special joint NCOIL meeting, scheduled from 9:30 to 10:30 a.m. on March 8 in Washington, DC, features Sherry Green, Chief Executive Officer of the National Alliance for Model State Drug Laws (NAMSDL); Dr. Patrice Harris representing the American Medical Association (AMA); and Van Ingram, Exec. Director of the KY Office of Drug Control Policy.

The July Summer Meeting will include discussion of exchanges—as the nation gears up for the October 1 start of open enrollment—in addition to remaining implementation challenges as states try to comply with emerging ACA regs. Legislators are expected to consider how ready states and feds are for the new healthcare regime and, among other items, the broad ramifications of ACA-required essential health benefits.

In November—a little more than a month before January 1, 2014, alters the U.S. healthcare landscape perhaps forever and inaugurates a new individual mandate—NCOIL legislators in Nashville, TN will look to anticipate what really will happen in the year to come. ■

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NCOIL began its exploration of opioid abuse concerns with discussion in the Workers’ Compensation Committee in mid-2012. Legislators then held a November Annual Meeting forum entitled *Wasted: Prescribing Solutions for Opioid Abuse* that identified causes, consequences, and national trends; laid out various state initiatives; and offered a Kentucky case study perspective.

The Summer Meeting will take place from July 11 to 14 in Philadelphia, PA. The Annual Meeting is slated from Nov. 21 to 24 in Nashville, TN. ■

Financial Services Committee...

Dodd-Frank Act (in general)

"The Committee will conduct careful oversight and monitoring of the financial regulators charged with implementing the Dodd-Frank Act to ensure that they prudently exercise the new authority conferred upon them... In particular, the Committee will seek to ensure that regulators carefully and transparently assess the costs and benefits of regulations called for by the Dodd-Frank Act in order to strike an appropriate balance between prudent regulation and economic growth."

Bureau of Consumer Financial Protection (CFPB)

"In particular, the Committee will review CFPB enforcement actions to determine whether such actions are based on clearly articulated rules and the extent to which such actions are based on discretionary, arbitrary and undefined standards.... The Committee will continue to examine whether the CFPB's budget and its source of funding is appropriate as well as...will monitor the impact of CFPB actions on small businesses and on financial institutions of all sizes..."

Federal Insurance Office (FIO)

"The Committee will work to ensure that the FIO is focused on developing expertise on insurance matters and does not impose unwarranted or excessive data collection burdens on the

insurance sector or on small insurers in particular. The Committee will also monitor implementation of the FIO's authority to coordinate policy and represent the U.S. on international insurance issues, paying particular attention to FIO's role in addressing a number of substantive and procedural concerns surrounding the International Association of Insurance Supervisors' methodology for designating global systemically important insurers."

"The FIO has repeatedly missed multiple statutory deadlines imposed by the Dodd-Frank Act for reports to Congress on (1) the insurance industry, in general; (2) the breadth and scope of the global reinsurance market; (3) the ability of state regulators to access reinsurance information; and (4) recommendations to modernize and improve the system of insurance regulation in the United States. The Committee urges the FIO to submit these long overdue reports without further delay."

Financial Stability Oversight Council (FSOC)

"The Committee will conduct significant oversight over the FSOC, monitoring among other things the extent to which its designation of 'systemically significant' firms may create an expectation among market par-

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ticipants that the government will not permit these firms to fail..."

National Flood Insurance Program (NFIP)

"The Committee will...review and consider further reforms to the National Flood Insurance Program with the goal of ending taxpayer bailouts of the program and transitioning to a private, innovative, competitive and sustainable flood insurance market."

Office of Financial Research (OFR)

"The Committee will conduct oversight of the OFR to ensure that the office is transparent and accountable, that it makes progress towards fulfilling its statutory duties, that its requests for data are not unduly burdensome or costly, and that the confidentiality of the data that it collects is strictly maintained. The Committee will also assess whether the OFR duplicates data collection efforts already being undertaken by other regulatory bodies."

Terrorism Risk Insurance Program (TRIP)

"The Committee will examine the private sector's capacity to assess and price for terrorism risk. The Committee may also consider proposals that would phase out the Terrorism Risk Insurance Program by encouraging private industry to develop dedicated capital for underwriting terrorism risks..." ■

Broad U.S.-EU...

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now is the time to launch negotiations with this crucial trading partner."

According to U.S. government statistics, trade in goods between the U.S. and EU **amounted to \$646 billion in 2012.**

NCOIL has expressed strong concern with the impact that U.S. trade negotiations may have on state legislative authority, as well as on the **almost complete absence of state legislators** on an Office of the U.S. Trade Representative (USTR) Intergovernmental Trade Advisory Committee (IGPAC)—which is the primary forum for state lawmakers to



weigh in on trade deals. A 2012 NCOIL *Resolution Urging Support for State Authority in U.S. Trade Negotiations*, for instance, asserted that **"extreme caution is needed** in international trade negotiations to avoid preempting state-level decisions with regard to the regulation of insurance and reinsurance." ■



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STATES TAKE STANDS ON MEDICAID EXPANSION

Initial estimates that the Affordable Care Act (ACA) would ensure health coverage for some 30 million uninsured were based heavily on the idea that all 50 states, plus DC, would expand their Medicaid programs. According to the ACA, expansion means that nearly all adults making less than 138 percent of the federal poverty level would qualify.

From 2014 to 2016, the federal government will take on 100 percent of the costs of covering the newly eligible. That contribution then will decline so that starting in 2020, the Feds pick up 90 percent of those costs.

But the decision to broaden Medicaid programs has been fraught with political, financial, and other sensitivities, and it now seems that, at best, only around two-thirds of states will decide to expand. Most of the “yes” votes are from governors supportive of the Affordable Care Act—but some big-time opponents, like Governors Chris Christie (NJ) and Rick Scott (FL), have also jumped on board. Below is a listing, as of February 27, of which states will do what.

Expanding (24)

Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New Hampshire, New Mexico, North Dakota, Ohio, Rhode Island, Vermont, Washington

Leaning toward Expanding (4)

Kentucky, New York, Oregon, Virginia

Not Expanding (14)

Alabama, Alaska, Georgia, Idaho, Iowa, Louisiana, Maine, Mississippi, North Carolina, Oklahoma, Pennsylvania, South Carolina, Texas, Wisconsin

Leaning toward Not Expanding (2)

Nebraska, Wyoming

Undecided/No Comment (5)

Indiana, Kansas, Tennessee, Utah, West Virginia

(Based largely on The Advisory Board Company information.)