

NCOIL to Investigate Opioid Abuse in Workers' Comp Market

In an attempt to mitigate against escalating insurance costs, NCOIL legislators on July 12 will begin investigating ways to address opioid abuse in the workers' compensation market. The NCOIL Workers' Compensation Committee—convened during the July 12 through 15 NCOIL Summer Meeting in Burlington, Vermont—will respond to concerns over injured workers who are over-prescribed opioid pain medications to deal with their injuries, often leading to costly addictions, an inability to continue working and, in a worst case scenario, death.

During its 10:30 a.m. to 11:45 a.m. meeting, the Committee will consider solutions including, among others, screening injured workers for prior drug abuse, requiring disclosures outlining the risks of opioids, and utilizing prescription monitoring programs (PMPs) that help (cont. on p. 3)



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NCOIL SUMMER MEETING
Burlington, VT
July 12 — 15
www.ncoil.org



LEGISLATORS PLAN KEY DECISIONS ON CERTIFICATES OF INSURANCE / BINDER MODELS AT SUMMER MEETING

The NCOIL Property-Casualty Insurance Committee at the Burlington Summer Meeting is on track to make potentially game-changing decisions on proposals that could affect how agents, insurers, real estate developers, lenders, and other entities do business. During three hours of debate—including at July 14 and 15 working sessions—legislators will review controversial proposed certificate of insurance and insurance binder model acts that respond to the conflicting concerns of lenders and the p-c industry.

The July discussions will build on nearly a year of Committee debate, including a series of conference calls following the Spring Meeting, that have generated a host of comments and revisions and have led lawmakers to pursue the dual-track approach to certificate reform.

Legislators will discuss in Burlington a substitute version of the original *Certificates of Insurance Model Act*—which the Committee set aside on a May 11 call in anticipation of an interested-party compromise. The new proposal is silent on whether certificates

should say “information only”—a sticking point for lenders—but it does include language that certificates are not insurance policies and that they cannot provide different or extended coverage. Reflecting participation of AIA, IIABA, NAMIC, PIA, and PCI, the substitute also makes it illegal to change certificate forms—for instance, by (cont. on p. 4)

NCOIL has the honor of welcoming as its Summer Meeting keynote speaker **Congressman Peter Welch (VT)**, member of the U.S. House Oversight & Government

Reform Committee. Rep. Welch—who will speak to financial services and healthcare reform—is a Chief Deputy Whip in the



House and a former Pres. Pro Tem of the VT Senate. The event is slated for 11:15 a.m. to 12:30 p.m.

Feds to Offer Insight into Healthcare Reform/Drug Abuse Treatment

Legislators at a July 13 NCOIL symposium entitled *Healthcare Reform: What Hurdles Lie Ahead?* will zero in on a key outcome of the Affordable Care Act's (ACA) 2014 take-all-comers requirement—a large **influx of patients** demanding substance abuse treatment. Leading off the Friday afternoon session, scheduled from 12:30 to 3:00 p.m. during the NCOIL Summer Meeting, will be the White House Office of National Drug Control Policy (ONDCP).

Deputy Director David K. Mineta of the ONDCP Office of Demand Reduction will outline how substance abuse treatment plays out across the states. He will speak of treatment parity as it relates to a **2008 federal mental health parity law**, will comment on how states might ensure a sufficient healthcare workforce to care for abusers, and will look at what might constitute a full complement of treatment benefits.

The symposium also will feature expert panelists weighing in on the Supreme Court healthcare ruling—including rationale behind the Justices' decision, what happens if the **individual mandate** falls, what's next for states if the ACA expansion of Medicaid stands, and what state-based solutions that might exist absent the individual mandate. ■

NCOIL Considers State Authority in Light of U.S. Trade Talks

On July 13, legislators on the NCOIL International Insurance Issues Committee will move to preserve and promote state rights in light of recent and emerging U.S. trade efforts. The Committee, building on debate that has evolved since November 2010, will resume consideration of a draft *Resolution*

Urging Support for State Authority in U.S. Trade Negotiations

that, among other things, calls for greater

transparency in trade negotiations and more meaningful input from state legislators who make the laws that may be affected. Discussion will take place during the July 12 through 15 NCOIL Summer Meeting in Burlington, Vermont.

The proposed resolution, sponsored for discussion by Rep.

Kathie Keenan (VT), highlights the importance of state insurance regulation and comments that recent U.S. Trade Representative (USTR) activity has raised concern among legislators over potential negative fallout on the states. The resolution expresses particular concern with U.S.-Australia and U.S.-Korea free trade agreements, as well as with an emerging Trans-Pacific

Partnership Agreement between the U.S. and eight other nations.

Federal officials developing international agreements should take their cues from how states regulate insurance, the resolution says, because agreements can affect a range of public policy interests. Trade negotiations, in other words, should be “subject to

highly participatory and transparent rule-making procedures.” With insufficient transparency, the resolution provides, state officials cannot ensure that trade negotiations respect states' rights in the face of international pressure.

A mechanism for states to influence USTR efforts—an Intergovernmental Policy Advisory Committee (IGPAC)—does exist, but the resolution says IGPAC's ability to work on behalf of states is limited because states have been stalled in their efforts to appoint members. Only a few state lawmakers are able to see and comment on emerging trade language, the resolution asserts.

The NCOIL Committee will meet from 9:45 to 11:00 a.m. Participants in the discussions thus far—focused initially on possible state preferred drug list infringement—have included USTR and industry reps, as well as a state legislative IGPAC member. ■

“Federal officials developing international agreements should take their cues from how states regulate insurance...”



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NCOIL...

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prevent doctor shopping and other drug diversion schemes. Participants will include Lucinda Saxon, Governmental Affairs Manager with the Work Loss Data Institute (WLDI), who will speak to how evidence-based *Official Disability Guidelines* developed by WLDI are lowering costs by reducing the **number of new opioid prescriptions**.

Insurers assert that opioid use increases medical expenses and financially burdens employers and the workers' comp market. According to a National Council on Compensation Insurance (NCCI) report entitled *Workers' Compensation 2012*, "[e]mployers and insurers will spend \$1.4 billion on narcotics this year for workers' compensation claimants, with the vast majority of those dollars **paying for opioids**." The report further notes that there is "very little credible evidence that long-term opioid use is appropriate treatment for workers' comp injuries."

Also related to pharmaceuticals, the Workers' Comp Committee on July 13 will analyze how states—such as FL and MT—are attempting to **alleviate the rising costs** associated with controversial physician-dispensed repackaged drugs. The agenda likewise includes review of state approaches to provide workers' comp coverage to volunteer firefighters. ■



NCOIL Symposium Hones in on Supreme Court Healthcare Ruling

The U.S. Supreme Court is expected to hand down its landmark ruling on the constitutionality of the federal health reform law in the final week of June. To better understand the ruling and its impact on the states, NCOIL will conduct a symposium entitled *Healthcare Reform: What Hurdles Lie Ahead?* on Friday, July 13,

panel of experts consisting of state policymakers, consumer advocates, and industry professionals to discuss the ruling and its future impact. Confirmed speakers include State Senator Larry Obhof (Ohio), Kathleen Stoll of Families USA, and Bob Ridgeway of AHIP. Teresa Miller, the federal *Center for Consumer*

whether the individual mandate to purchase health insurance is constitutional; whether, if it is, the mandate can be severed from the rest of the law; and whether the expansion of Medicaid unconstitutionally coerces states into participating. NCOIL symposium panelists will analyze the decision, discuss its impact on



Senator Larry Obhof
Ohio State Senate



Robert Ridgeway
AHIP Senior Government Relations Counsel



Kathleen Stoll
Director of Health Policy, Families USA

from 12:30 to 3:00 p.m. in conjunction with the 2012 Summer Meeting in Burlington, Vermont.

The symposium will include a

Information and Insurance Oversight's acting director of oversight, is anticipated.

The Justices are ruling on

state policymakers and consumers, and consider possible alternatives if any or all of the law's provisions are found to be unconstitutional. ■

NCOIL to Tackle Key State, Federal Issues at Summer Meeting

Legislators at the NCOIL Summer Meeting in Burlington, VT, will explore a range of issues impacting states, consumers, and insurance markets. Items below are just a sample of what's in store.

- certificates of insurance/binders
- emerging public pension initiatives
- Federal Insurance Office (FIO) report
- "forced/lender-placed" insurance
- life insurance unclaimed benefits
- opioid drug abuse and health, WC rising costs
- Supreme Court Affordable Care Act ruling
- third-party legal funding for consumers
- WC repackaged drugs/physician dispensing
- U.S. trade agreements and state preemption





NCOILetter

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Legislators Plan...

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adding mention of employer contract requirements.

Committee Chair Rep. Steve Riggs (KY) will sponsor the substitute draft for discussion, while Rep. George Keiser (ND) sponsored the original certificates model for discussion purposes.

The insurance binder proposal would keep binders effective until a policy is issued, based on NY law, and answers lenders' strenuous objection to labeling certificates "info only." Under the model, lenders could use a binder to verify that a borrower has appropriate insurance until the actual policy is ready—even if it is many months after a loan is finalized. Interested parties have submitted amendments to the model that will be the focus of a June 27 Committee conference call—and will offer thoughts on whether the binder law should

stand on its own or be part of certificates reform.

Rep. Matt Lehman (IN), sponsor of the proposed binder model, also has suggested—in hopes of satisfying lender concerns that binders do not offer enough detail—creation of an “enhanced” binder form that would not expire and would blend an ACORD 75 binder with a more specific ACORD 28 certificate.

The Committee decided on June 7 to make headway on binder language first, and then resume Committee focus on insurance certificates.

The July 14 and 15 working sessions are set for 10:00 to 11:00 a.m. and 8:00 to 9:30 a.m., respectively. Legislators also will look at the issue the Committee's regularly scheduled meeting on July 13 from 3:00 to 4:15 p.m. ■