



NCOIL to Debate Proposed Model to Help Medicaid Recoup Payments

In an effort to help state Medicaid agencies recoup monies they are due, legislators at the NCOIL Summer Meeting in Boston will debate a proposed model law that would make it easier for states to learn about property-casualty insurance claims that Medicaid beneficiaries file. The proposed *Model Act Regarding Medicaid Interception of Insurance Payments*, scheduled for debate on July 11, responds to the fact that when people agree to accept Medicaid payments made on

their behalf, they also agree that Medicaid has a right to be reimbursed for those payments. *(cont on p. 2)*

inside this issue

NCOIL Summer Meeting Special Sessions **P.2**

Unclaimed Property Task Force to Enhance Model **P.3**

NCOIL to Hold Panel on Future of U.S. Mental Healthcare **P.3**

Feds Consider Cyber-Security Legislation **P.4**

SAVE THE DATE! Visit www.NCOIL.org for future meeting dates and places!

NCOIL INTERNATIONAL ISSUES TASK FORCE PLANS DECISIVE ACTION

An ambitious agenda sets the stage for an in-person meeting of the NCOIL International Issues Task Force on July 10 in Boston, where three working groups—addressing capital standards, coordination and transparency, and trade agreements—will plan their next steps. Working groups were formed on a June 17 conference call with the full Task Force and based on “top issues” culled from a larger list of concerns developed at the March Spring Meeting.

During conference calls in the two weeks prior to the NCOIL Summer Meeting, Working Groups

took steps to outline their goals, plan strategies, and discuss their contributions to a “toolkit” for legislators advocating states’ rights on the international stage.

NCOIL President Senator Neil Breslin (NY) said after the June 17 call that “It has become clear as we explore the global insurance climate that there are players in this country and abroad who are acting—sometimes publicly, sometimes less so—in ways to which we must respond. We are honing in on potential threats to the states, concerns that demand *(cont. on page 2 sidebar)*

CONGRESS MOVES FORWARD ON TERRORISM INSURANCE PROGRAM

Efforts to extend the Terrorism Risk Insurance Act (TRIA) gained ground in June as committees in the House and Senate moved bills extending TRIA to their respective floors, but questions remain as to what the program will look like in the end. NCOIL, which supports extension of the program, will discuss TRIA at a meeting of the State-Federal Relations Committee on July 10 in Boston.

The House version, approved by the Financial Services Committee on June 20 on a party-line vote, offers a five-year extension but raises the

trigger for non-chemical, biological, radiological, or nuclear (CBRN) attacks to \$500 million, effectively excluding non-CBRN events like the 2013 Boston Marathon bombing from the program. Those changes remain controversial among property-casualty insurers. The Senate Banking Committee voted on June 3 to advance to the floor a separate Terrorism Risk Insurance Act of 2014 that extends TRIA for seven years, through 2021, and retains a program “trigger” of \$100 million. *(cont. on page 3 sidebar)*



NCOIL International Task Force...

(cont. from p. 1)

our immediate attention. We plan to defend the tenets of successful state regulation in the face of initiatives that, though perhaps well-meaning, are inappropriate for the US and fly in the face of decades of hard-earned expertise and experience.”

A Capital Standards Working Group, chaired by Sen. James Seward (NY), will focus on global standards and capital requirements, ComFrame, and group supervision, with the International Association of Insurance Supervisors (IAIS) as its primary audience.

A Coordination & Transparency Working Group, chaired by Sen. Jason Rapert (AR), will consider state, federal, and international cooperation and transparency, including the role of covered agreements, and will hone in on efforts of U.S. entities, such as the Federal Reserve Board, Federal Insurance Office (FIO), Department of Treasury, Consumer Financial Protection Bureau (CFPB), and others.

(cont. on page 3 sidebar)

NCOIL to Debate...

The draft NCOIL model would apply to bodily injury claims of \$2,000 or more that are brought against p-c insurers and self-insureds. The proposal would create a process so that before insurers paid those claims, the insurers would exchange claims data with the state Medicaid agency, either directly or by using an organization that collects claims information. Once a Medicaid beneficiary is “matched” with a bodily injury insurance claim, the Medicaid agency could assert a lien against the claims payment.

The draft NCOIL model also would create appeals process and would let a beneficiary’s representative assert a lien for attorney fees. Data would be kept confidential under the proposal, and immunity would be given to parties involved in the interception of payments.

The proposed model act is sponsored by Rep. Brian Kennedy of Rhode Island, which has been using a similar approach since December 2012 and as of January 2014 reportedly had asserted 419 liens for a

(cont. from page 1)

total of \$4.7 million. Insurer advocates of the proposed model law say it would prevent a repeat of what happened in recent years with Medicare, when the Center for Medicare & Medicaid Services (CMS) put in place a reporting system related to Medicare beneficiaries that insurers say was both confusing and costly.

NCOIL will consider the proposed model act during the Property-Casualty Insurance Committee’s July 11 meeting from 10:30 to 11:30 a.m.

NCOIL Summer Meeting Special Sessions

In addition to Committee meetings and events items, legislators and other attendees at the Boston NCOIL Summer Meeting will participate in the following special sessions:

THURSDAY, JULY 10

Unclaimed Property Task Force
8:30 to 10:00 a.m.

Joint Session on Opioid Best Practices Enhancements
Health & Workers’ Comp Committees
10:15 to 11:30 a.m.

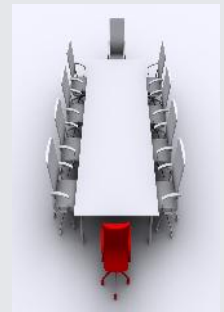
International Issues Task Force
12:45 to 2:00 p.m.

FRIDAY, JULY 11

General Session:
Flood Insurance & Private Market
9:00 to 10:15 a.m.

Keynote Luncheon
Boston Mayor Marty Walsh
11:30 a.m. to 1:00 p.m.

General Session:
Future of U.S. Mental Healthcare
12:15 to 3:45 p.m.



SAVE THE DATE

for the NCOIL ANNUAL MEETING & SEMINAR

November 20 to 23, 2014
San Francisco, CA

Grand Hyatt in Union Square
Details and registration available
soon at www.ncoil.org.



Unclaimed Property Task Force Looks to Enhance NCOIL Model

The NCOIL Unclaimed Property Task Force will meet face-to-face on July 10 during the NCOIL Summer Meeting in Boston to debate proposed amendments to the NCOIL *Model Unclaimed Life Insurance Benefits Act*. The proposed changes, submitted at Task Force request following the March NCOIL meeting, cover a range of issues that have arisen since original adoption of the model act in November 2011.

Key issues addressed by the various amendments relate to whether the model's requirements should apply retroactively or prospectively; the frequency and nature of Death

Master File (DMF) searches; asymmetrical use of the DMF; commissioner discretion to provide exemptions; and annual insurer reporting to state regulators.

Amendments were submitted by the National Association of Unclaimed Property Administrators (NAUPA), the American Council of Life Insurers (ACLI), and the Center for Insurance Research (CIR), along with a joint proposal from the Kemper Corporation, Life Insurers Council (LIC), and the National Alliance of Life Companies (NALC). The proposed markup of the NCOIL model is available at www.ncoil.org.

Fifteen (15) states have legislation based on a version of the NCOIL model, and another seven (7) are considering the model in current legislative sessions.

In general, the NCOIL model law requires life insurers to check in-force policies against the DMF on at least a semi-annual basis in order to identify policies for which death benefits are owed.

In the event that beneficiaries cannot be located, the model allows for escheatment of the unclaimed benefits to the state in accordance with the state's unclaimed property law.

NCOIL to Host Panel on Trends, Opportunities in Mental Healthcare

An NCOIL Summer Meeting special session on July 11 entitled *The Future of Mental Healthcare in America* will address concerns related to rising costs in the states and ensuring access to treatment among one of the most vulnerable populations. Recent tragedies have made this issue more prevalent than ever, and a number of states are grappling with rising costs and access to treatment.

Panelists will discuss some of the most pressing issues shaping trends in behavioral health, including integration of physical and behavioral care, opportunities post-Affordable Care Act (ACA), Medicaid expansion, costs in social services, and the role of the criminal justice system in improving access to care.



Sita Diehl, Director of State Relations, National Alliance on Mental Illness



Tim Murphy, CEO, Beacon Health Strategies



Neva Kaye, Managing Director, Health System Performance, Nat'l Academy for State Health Policy



Mohini Venkatesh, VP, Practice Improvement, National Council for Behavioral Health

NCOIL International Task Force...

(cont. from p. 2 sidebar)

A Trade Agreement Working Group, chaired by Rep. Kathleen Keenan (VT), will look at transparency, state/national sovereignty, and consumer protections related to trade negotiations. Activity of the U.S. Trade Representative (USTR) will be the working group's main concern.

Detailed information regarding working group memberships, including legislator, state official, and advisory council members, is available at www.ncoil.org.

Congress Moves Forward...

(cont. from page 1)

Both versions now await consideration by their respective chambers, and the two will have to come to a consensus before it goes to the President. House Financial Services Committee Chair Rep. Jeb Hensarling reiterated after the June 20 hearing that he aims to have legislation finalized this year.

An NCOIL resolution passed in July 2013 called on Congress to grant a long-term extension of the program. However, NCOIL has not taken a position on specific TRIA-related legislation.

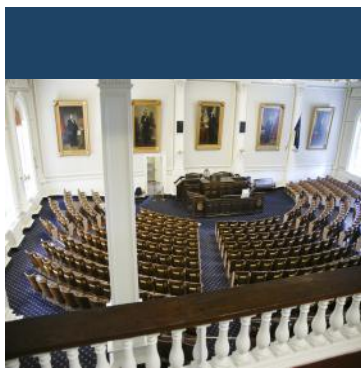
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Opinions expressed in the
NCOILetter do not necessarily
reflect NCOIL views or opinions.
The *NCOILetter* is published by
Nolan Associates LLC.

CYBER-SECURITY LEGISLATION UNDER CONSIDERATION AS STAKES RISE

Congress continues to consider proposed legislation promoting cyber-security as cyber attacks grab new headlines, demonstrated by revelations on June 25 that 1.3 million patients were exposed when a hacker gained access to Montana Department of Health Records. H.R. 3696, the National Cybersecurity and Critical Infrastructure Act of 2013, was approved by the House Committee on Homeland Security in February and awaits consideration by the full House of Representatives.

In addition to the Montana incident, recent data breaches at commercial entities, including a highly publicized episode affecting retailer Target in 2013, have raised the importance of securing electronic infrastructure across industries.

The House legislation amends the Homeland Security Act of 2002, calling for a partnership between the public and private sectors to “facilitate and support the development of a voluntary, industry-led set of standards, guidelines, best practices, methodologies, procedures, and processes to reduce cyber risks to critical infrastructure.”

The Financial Stability Oversight Council (FSOC) named cyber threats as a top issue of concern in its Annual Report released in June. The report says legal restrictions on info sharing pose one of the most significant barriers to cyber-security.

The June 12 NCOIL Financial Services Committee meeting will highlight federal initiatives involving cyber-security and cyber-insurance.