



NCOIL Puts Finishing Touches on Best Practices to Fight Opioid Abuse

On November 22, after a nearly two-year look at ways to tackle wrongful opioid use, NCOIL legislators at their Nashville Annual Meeting will take final action on proposed *Best Practices to Curb Opioid Abuse, Misuse and Diversion*. The proposal, recently refined after a second round of interested-party comments, hones in on four critical areas of reform—prescription drug monitoring programs (PDMPs), prescribing practices, education and outreach, and treatment and prevention—and seeks common ground between stakeholders.

The updated draft is true to the initial version but includes changes that seek to enhance the existing language, aired this past July. The revisions particularly relate to PDMPs and to the standards that would govern how and what physicians prescribe.

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ANNUAL MEETING

November 21 to 24

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NCOIL TO CONSIDER RESOLUTION SUPPORTING STATE-BASED INSURANCE REGULATION

In late November, legislators at the NCOIL Annual Meeting in Nashville will consider a *Proposed Resolution Reaffirming Support for the U.S. State-Based System in International Insurance Regulatory Discussions*. The resolution seeks to reaffirm the critical role of state-based insurance regulation in light of international regulatory attention, including the Financial Stability Board's (FSB) recent U.S. peer review focused on migrating to a more nationalized regulatory approach.

NCOIL historically has staunchly opposed infringe-

ment on states' primacy to regulate their individual insurance markets, asserting that for over 150 years the U.S. state-based insurance regulatory system, which represents a third of all premium volume in the world, has successfully overseen the solvency of insurers and consumer protection. NCOIL contends that even during times of financial crisis, the state-based system of regulation has proven effective and resilient.

In response to attempted intrusions into the U.S. state-based insurance regulatory (cont. on page 2)

LEGISLATORS TO EXPLORE IN NOVEMBER ISSUES FACING LIFE INSURERS

NCOIL in November will delve into key issues that will and are shaping the future of the life insurance industry and its regulation. Realizing an ever-increasing demand for consumer financial security and the need for proper regulation of new products developed to answer that need, NCOIL will concentrate on principle-based reserving (PBR) and captive oversight, as well as other vital insurance issues and concerns at its Annual Meeting in November in Nashville.

A November 22 special session entitled "Principle-

Based Reserving (PBR) Coming to the States: How Do Captives Play In?" will feature perspectives from the National Association of Insurance Commissioners (NAIC), Deputy Superintendent Rob Easton on New York, Paul Graham of the American Council of Life Insurers (ACLI), and Deputy Commissioner David Provost of Vermont.

NCOIL Past President Rep. Craig Eiland (TX) will be on hand at the Life Insurance & Financial Planning Committee on November 21 to discuss recently enacted legislation (cont. on page 3 sidebar)

NCOIL Puts...

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An already lengthy footnotes section has been expanded to incorporate related insights—addressing, for instance, the role of physical therapy, massage, and other alternative treatments.

Developed in lieu of model legislation—which NCOIL legislators believed would be of lesser value to states—the proposed best practices offer suggestions for making PDMPs fully effective without imposing undue burdens on practitioners, pharmacists, and other participants. The guidelines support certain evidence-based prescribing standards that recognize “one-size-does-not-fit-all,” that give special consideration to patients with chronic pain, and that crack down on “pill mill” clinics.

The proposal offers recommendations on educating physicians—including whether to mandate continuing medical education (CME) courses, what things to watch for, and what resources to consult—and on reaching out to consumers through innovation and safe drug disposal efforts.

Because an effective opioid strategy must address the demand side of abuse, the draft guidelines also encourage specific (cont. on p. 3 sidebar)

Fed Lawmakers Unveil Bipartisan Bill to Delay NFIP Rate Hikes

Responding to an outcry over the skyrocketing cost of flood insurance, a bipartisan group of federal lawmakers unveiled legislation on October 29 to delay controversial rate hikes stemming from the sweeping *Biggert-Waters Flood Insurance Reform and Relief Act of 2012*. The proposals focus on a core feature of last year’s law—a new requirement that flood insurance rates must align with flood insurance risk. The ramifications of *Biggert-Waters* rate hikes and related legislation—as well as where FEMA stands—will be examined on November 22, during the NCOIL Annual Meeting in Nashville.

The Senate’s *Homeowner Flood Insurance Affordability Act* and its House companion would do six things. First and foremost, the bills would delay rate hikes for up to four years—giving FEMA two years to complete a *Biggert-Waters*–mandated affordability study, to promulgate related regulations, and to allow Congress six months to review them.

The proposals would give FEMA more money—now capped at \$750,000—to complete the affordability effort. They would authorize FEMA to reimburse property owners for money they spend on surveyors, engineers, and other services—which can amount to several thousand dol-

lars—when the owners successfully challenge new flood insurance rate maps. The bills would establish parity between levee projects that do and do not rely on federal financing, so that federal money is not needed for a project to have a mitigating effect on recalculated flood rates.

In addition, the pending legislation would create a FEMA Flood Insurance Rate Map Advocate to help educate and assist policyholders and would continue to ensure that certain property owners receive credit for having flood-proof basements.

Passage of the bills seems far from assured. (cont. on page 4)

NCOIL to Consider...

system by international entities, the proposed NCOIL resolution seeks not only to reaffirm support for state regulation, but calls on state and federal agencies to do the same. The resolution states that Congress should direct all U.S. federal agencies to oppose proposals by the FSB and others that are outside defined jurisdictional oversight, i.e.,

relating to financial institutions that are not deemed by the U.S. to be systemically important financial institutions. The resolution requests that the Administration, Congress, and National Association of Insurance Commissioners (NAIC) ensure that all U.S. representatives in international insurance regulatory discussions advocate only positions

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consistent with state oversight.

The draft resolution, sponsored by NCOIL Past Presidents Reps. Craig Eiland (TX) and Kathie Keenan (VT) and Sen. Carroll Leavell (NM), and by Secretary Sen. Travis Holdman (IN)—will be discussed by the NCOIL International Committee on November 22 at the Nashville Hilton.



Join NCOIL in Nashville, Tennessee!

NCOIL ANNUAL MEETING

November 21 to 24
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Legislators to Study Medicaid Reform Alternatives

A much-talked about Medicaid expansion alternative in Arkansas has secured federal funding from the Department of Health and Human Services (HHS). Arkansas' plan could have nationwide implications, as the 26 states that have so far demurred on the question of expansion look on with interest. NCOIL will look at this approach and other Medicaid options at its Annual Meeting next month in Nashville.

Arkansas intends to use federal funds to purchase private insurance for consumers who earn too much to qualify for the exist-

ing program but too little for insurance exchanges subsidies. The state estimates that over 200,000 will receive health coverage under the plan. Arkansas officials have had little time to celebrate, as the consumers in question became eligible to enroll in Medicaid on October 1 along with consumers shopping in health exchanges nationally.

A private solution is an attractive option to some states because it offers increased federal funds plus potential savings through the private market. Governors in TN and PA have already floated

an Arkansas-style expansion alternative. Under the Affordable Care Act (ACA), states are free to expand Medicaid coverage at any time, even after all ACA provisions are fully implemented.

NCOIL will study Medicaid expansion, among other trends, in a special November 23 session entitled "The Future of Medicaid: Costs and Quality." Invited speakers include Matt Salo of the National Assoc. of Medicaid Directors, Tina Brill of Amerigroup, Senator Kemp Hannon of NY, and the TN Hospital Association.

Fact Findings: Early Results on Exchange Enrollment

The *Patient Protection and Affordable Care Act* was signed into law by President Obama on March 23, 2010. A key component of the law, health insurance exchanges—online marketplaces administered by either federal or state government—opened for enrollment on October 1. At the NCOIL Annual Meeting, a special symposium will explore early lessons learned and what the results may mean for healthcare costs.

The federal exchange came under harsh criticism in its first weeks of operation as a result of Web site crashes, long processing times, and other widespread technical problems. Meanwhile, state exchanges appear to be faring better, with fewer reports of errors. Below are highlights of what we know.

- ▶ According to HHS, the federal government, which is facilitating enrollment in 36 states, will not release official enrollment data until at least mid-November.
- ▶ On October 21, Kentucky Governor Steve Beshear issued a written statement noting that, "In the first two weeks of operation alone, an average of 1,000 Kentuckians enrolled in new health coverage each day. . . ."
- ▶ California released statistics on October 12 that in the first two weeks of open enrollment 95,000 individuals completed or started applications.
- ▶ In the first two weeks, 56,000 people signed up for Oregon's Medicaid program, cutting the number of uninsured there by 10 percent, according to the Oregon Health Authority.
- ▶ Nevada's health exchange spokesman CJ Bawden reported on October 8 that 700 people purchased plans in the first week of enrollment.
- ▶ According to Washington State officials 35,500 people have fully enrolled in coverage, as of October 21. Most of them, about 31,000, are going to be covered by Medicaid.
- ▶ New York officials said 174,000 people completed the full application process as of Oct. 24, with more than 37,000 fully enrolled.

NCOIL Puts...

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treatment and prevention approaches, such as use of drug therapies and of drug courts.

The November 22 Annual Meeting session will be held jointly by the NCOIL Health, LTC & Health Retirement Issues and the Workers' Com-



pensation Insurance Committees. The best practices proposal, which offers numerous case studies of state activity, is available on the NCOIL web site at <http://www.ncoil.org/other/MLRdrafts.html>.

NCOIL to Explore...

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that he sponsored. The Texas law allows consumers to enter into a life settlement contract with the proceeds directed toward long-term care services and supports.

The Committee will also explore longevity risk in existing life insurance contracts and how emerging products address the issue; state taxation of captive insurers under the National Risk Retention Act (NRRRA); and fiduciary responsibility in annuity sales.



NCOILetter

Susan F. Nolan, Publisher/Editor
Candace Thorson, Managing Editor
Eric Ewing, Associate Editor
Jennifer Webb, Associate Editor

Simone Smith, Operations Coord.
Laurie Dingmon, Fin. Coordinator

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FED LAWMAKERS...

Under congressional rules, sponsors must either propose a way to offset the lost revenue or get a waiver so that the budgetary requirement does not apply. In addition, a myriad of *Biggert-Waters* supporters—including environmental, taxpayer, insurer, business, housing, and mitigation entities—staunchly oppose the new legislation.

As part of NCOIL's long-running dialogue with FEMA regarding flood insurance concerns, the NCOIL Property-Casualty Insurance Committee will hear from a key FEMA representative during the Committee's November 22 meeting from 4:45 to 5:45 p.m. The discussion will look at how *Biggert-Waters* is being implemented, at what's happening with federal legislation and other efforts to delay the rate hikes, and, among other things, at what authority FEMA does or does not have.

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Biggert-Waters in Brief

Biggert-Waters extended the NFIP until 2017 and, among other things, phased out subsidies for the 20 percent of policyholders paying reduced rates.

As a result, on October 1 rates for repetitive loss properties and for businesses began rising 25 percent until their rates match their risks.

"Grandfathered" rates began coming to an end on October 1—meaning that if a property falls in a newly mapped flood hazard zone, the owner must pay an updated flood insurance rate rather than hold on to the older, likely less expensive one.

Consumers who bought properties after July 6, 2012, now must pay updated prices—which may be exponentially higher than what was known at closing. Renewing a lapsed policy and purchasing a new one also will trigger higher rates.