

## NCOIL Symposium to Weigh Healthcare Reform, Medicaid Expansion Costs

As states work to comply with the controversial and wide-ranging *Affordable Care Act* (ACA), NCOIL legislators will zero in on how reform costs are playing out—including how Medicaid expansion factors in—during a special, two-part Annual Meeting symposium. The November 16 event will run from 8:00 to 11:00 a.m. in Point Clear, Alabama.

The symposium will kick off with a panel entitled *How Are States Dealing with Medicaid Expansion?* that will look at pros and cons of different state approaches, including opt in's and opt out's. The session will explore the why's and how's of state Medicaid waivers and will hone in on state innovation models, demonstration projects, and coordinated health care delivery systems, among other things.

Panelists will include Ron Smith, (cont. on p. 4)



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**NCOIL ANNUAL MEETING**  
Point Clear, AL  
November 15 – 18  
[www.ncoil.org](http://www.ncoil.org)



## NCOIL EXTENDS CERTIFICATE OF INSURANCE DEBATE, ENVISIONS FINAL ACTION IN NOVEMBER

NCOIL legislators on a September 27 conference call—the latest in a series of special meetings and discussions—took another stab at drafting legislation to curb fraud and misuse of controversial certificate of insurance forms. After considering the pros and cons of revisions to a draft *Certificates of Insurance Model Act (substitute)*—including language regarding the rights of commercial lenders—key NCOIL lawmakers voted to extend, and hopefully conclude, debate at the November Annual Meeting.

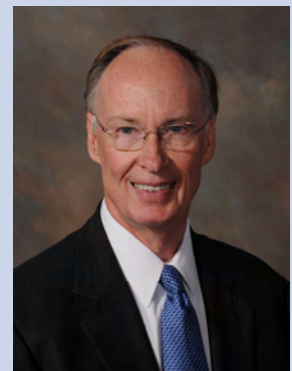
The issue will be aired during the Property-Casualty Insurance Committee's November 16 meeting, as well as during a special November 18 working session.

There are three proposed amendments. One, submitted by the Mortgage Bankers Association (MBA), would let MBA file its own standardized certificate forms for insurers to use. The MBA forms require more information than other certificates do. P-C industry opponents say the proposed amendment would wrongly place MBA, an industry trade group, on the same footing as advisory services organizations like ACORD and ISO—which have de-

veloped and filed standardized forms for years. However, MBA says that their new form is a vital way for lenders to get the additional policy info they need, since they often don't receive the policy itself in a timely way.

A second amendment, also offered by MBA, would exempt commercial lending (cont. on page 2)

NCOIL has the honor of welcoming as its Annual Meeting keynote speaker **AL Governor Robert Bentley**, to offer remarks on state-based insurance regulation/state sovereignty. Gov. Bentley—a two-term state rep and a physician—has been actively involved in efforts to reduce rising homeowner insurance costs and on public pension reform, among other items. He co-chairs the Nat'l Governors'



Assoc. Task Force on Prescription Drug Abuse. The lunch will be from 12:00 to 1:15 p.m. on November 16.

## NCOIL Extends... (cont. from page 1)

transactions from the model. The proposed carve-out has appeared in various iterations of draft NCOIL legislation—and reflects the **lenders' staunch opposition** to establishing, as the model law ultimately would, that all certificates are for "information only."

For the lenders, the need for this carve-out is clear: "info only" is not good enough because lenders will have no official **evidence of coverage** until the policy is delivered—perhaps many months after closing on a loan. They assert that insurance binders are not good substitutes because they often expire and they offer fewer coverage details. P-C opponents argue, in part, that certificates have always been informational, that only **binders can temporarily substitute** for a policy, and that the carve-out raises liability and other concerns.

The third amendment, offered by AIG, reflects concern that the draft NCOIL model would create **conflicts with federal standards** for environmental liability certificates, among others. The AIG amendment would exempt any certificate that is prepared as per federal law, or as per a state law that reflects what the feds require. NCOIL lawmakers on the (cont. on sidebar p. 3)

## NCOIL Spotlights Opioid Abuse Reform, Plans Special Meeting

As states test drive ways to curb escalating opioid-related costs, NCOIL legislators at the November Annual Meeting will explore on-the-ground reforms that could make a difference.

During a special November 15 session entitled *Wasted: Prescribing Solutions for Opioid Abuse*, experts will look at causes for concern in workers' comp and health insurance, explore a range of state reform efforts—including prescription drug monitoring programs—and gain insight into one state's experience trying to control costs. The 8:45 to 10:15 a.m.

event, being held in Point Clear, Alabama, will lay groundwork for a possible NCOIL policy position.

The session will feature Joseph Paduda of Health Strategy Associates, who will overview the extent of the problem and its insurance impacts, and Sherry Green of the National Alliance for Model State Drug Laws, who will offer a roundup of what states are doing and how they are faring.

A spokesperson for a much-praised Kentucky All Schedule Prescription Electronic Reporting (KASPER) system—which requires pharmacists to report into an electronic database the controlled substances they dispense—also is anticipated.

Immediately after the session, the Workers' Comp Insurance Committee will look at options for promoting reform—including, perhaps, the components of a reporting system that are most critical—and decide on future action. ■

*"...experts will look at causes for concern in workers' comp and health insurance [and] explore a range of state reform efforts..."*

### Opioid Abuse Facts

#### OVERALL PROBLEM

- According to the Centers for Disease Control & Prevention, by 2010 enough prescription opioids were sold to medicate every American adult with a typical dose of 5 micrograms of hydrocodone every four (4) hours for one (1) month.



- The New England Journal of Medicine said in June 2012 that use of prescription opioids had more than quadrupled between 1997 and 2007.
- The CA Workers' Comp Institute found in 2011 that three percent of physicians accounted for 62 percent of prescribed opioids.

#### INSURER IMPACTS

- The Coalition Against Insurance Fraud reports that private health insurers lose up to \$24.9 billion annually due to opioid abuse.
- Lockton, an insurance brokerage, just estimated that 55 to 86 percent of all workers' comp claimants receive opioids for chronic pain.

#### MEDICAID

- The National Institute on Drug Abuse says Medicaid patients are given painkillers at twice the rate of non-Medicaid patients—and are six times at risk of overdosing.
- According to the Institute, 45 percent of people who died from prescription painkiller overdoses were on Medicaid.

## Fracking Pros and Cons under Review at NCOIL Annual Meeting

Convened along the resource-rich Gulf Coast, legislators at the NCOIL Annual Meeting will hone in on risks versus benefits of hydraulic fracturing—or, more simply, “fracking”—at a special November 15 session in Point Clear, AL. The 1:00 to 2:30 p.m. event will feature an expert in fracking and other energy production and will respond to growing national interest in the controversial process and its regulatory implications.

Lynn Helms, director of the North Dakota Industrial Commission’s Department of Mineral Resources and a nationally recognized voice on fracking issues, will deliver a presentation in which he explores what fracking is, why some people so oppose it, and what role the federal government plays. He also will look at how states—such

as PA, OH, and NY, which are focal points in the fracking debate—might regulate to address safety and other concerns.

The purpose of fracking, according to the Environmental Protection Agency (EPA), is to extract otherwise difficult-to-access natural gas from shale located hundreds of thousands of feet below ground. An energy company drills into the earth and injects millions of gallons of pressured fracking fluids—comprised of water, sand, and chemicals—to create channels in the shale and release the gas. When the gas rises above ground, so do the fluids. They are then treated and either injected back into the earth or discharged into surface water.

Opponents, including environ-

mentalists, assert that the fluids contain carcinogens and other chemicals that can contaminate water supplies, that fracking can cause geological problems like earthquakes, that trucks hauling



materials in and out of fracking sites can damage roads, and that fracking is insufficiently regulated—in other

words, there are too few safeguards.

Supporters, including the energy industry, say fracking is safe when done responsibly, that it helps reduce U.S. dependence on coal and foreign oil, that it is pro-environment because gas is considered a clean energy source, and that fracking spurs job creation. ■

## NCOIL Extends...

(cont. from page 2 sidebar)

September 27 call—which featured **heated exchanges** between p-c and commercial lending interested parties—felt the amendment language could be refined and charged AIG and certain others with drafting revised language that would be more appropriate.

As proposed, the underlying *Certificates of Insurance Model Act (substitute)* would **ban changes to certificate forms** and would assert that they are not insurance policies and do not provide different or extra coverage than the insurance policy does.

In an effort to address lender concerns—but believing that **certificates legislation** was the wrong way to do so—the P-C Committee at the NCOIL Summer Meeting, and after much debate, adopted a *Model Act Regarding Use of Insurance Binders as Evidence of Coverage*. The model would keep insurance binders in force until a policy is issued or cancelled by an insurer. Lenders say the model is helpful, but **would not resolve lenders’ need** for more coverage info and for notice at policy renewal.

The NCOIL Annual Meeting will take place in Point Clear, AL, from November 15 to 18. ■

## NCOIL ANNUAL MEETING

*All’s Clear in Point Clear, Alabama!*

**Sign up today at [www.ncoil.org](http://www.ncoil.org)!**

Limited rooms in host hotel!

NCOIL registration fees going up soon!

**NOVEMBER 15 TO 18**

***BEFORE REGISTERING:* CHECK OUT MEETING CHANGES IN REVISED TENTATIVE GENERAL SCHEDULE AT [WWW.NCOIL.ORG](http://WWW.NCOIL.ORG)!**





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### NCOIL SYMPOSIUM...

(cont. from p. 1)

Director of Legislative Affairs with the American Public Human Services Association (APHSA), and Stephanie Azar, Acting Commissioner of the Alabama Medicaid Agency. Also anticipated is a NYS Medicaid Redesign Team member and a think tank/actuarial perspective.

Part two of the symposium—entitled *Following the Money: Healthcare Cost Drivers Post-ACA*—will examine major reasons for higher prices and expenses, what the healthcare industry could do to slow their escalation, and how legislators can “bend the cost curve.”

Speakers will include Ashley Thompson of the American Hospital Association (AHA), Clem Cypra of PhRMA, Mollie Zito of the American Medical Association (AMA), and representatives of insur-

ers and consumers.

The November 16 symposium is the latest in a series of NCOIL efforts to guide legislators through *Affordable Care Act* implementation deadlines and responsibilities. ■

