

NCOIL to Explore Cyber-Security Threats, Emerging Responses

On November 12, legislators will examine emerging concerns related to cyber-security—including new revelations of cyber-attacks—and will consider what states, federal officials, and private industry are doing to respond and prepare for the future. The Financial Services & Investment Products Committee discussion at the NCOIL Annual Meeting will be the next step in NCOIL's ongoing look at why cyber-breaches happen in the first place and at the role that states can play in protecting consumer, governmental, and commercial information.

Among other things, the Committee will consider issues related to a controversial draft NAIC *Cybersecurity Bill of Rights*, which currently lays out 12 protections that insurance consumers (cont. on p. 2 sidebar)



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**2015 NCOIL
ANNUAL MEETING**
November 12 to 15
San Antonio, TX



Lawmakers to Consider Proposed Model Act to Promote Accurate Healthcare Provider Directories

Legislators at the NCOIL Annual Meeting in San Antonio will evaluate the role that states should play in helping consumers make informed choices regarding doctors and other healthcare providers. Consideration on November 12 of a proposed NCOIL *Meaningful Access to Accurate Provider Directories* model act responds, in part, to situations in which consumers unknowingly use out-of-network providers and then receive surprising and sometimes burdensome "balance bills" after treatment.

According to the draft model's purpose, "Inadequate provider networks also undermine the public health and welfare by forcing consumers to reduce utilization of appropriate preventive services and fail to obtain necessary medical care."

The draft model would require insurance department approval of insurers' provider directories, as well as of annual updates, and would identify various contract and other information that must be included in a directory—for example, whether physicians and other providers are accepting new patients.

The proposal would set rules for publishing and updating directories, would lay out enforcement requirements and, among other things, would allow for private rights of action. The draft model law was first vetted at the July NCOIL Summer Meeting and is sponsored by Rep. Deborah Ferguson (AR). The language initially was brought forward by the American Medical Association (AMA).

NCOIL will consider the issue during the Thursday, November 12 Health, Long-Term Care & Health Retirement Issues Committee meeting from 3:00 p.m. to 4:15 p.m.—at which time the Committee is anticipated to also consider a proposed balance

billing model law and to discuss issues regarding transition costs related to state vs. federal exchanges. The An-



annual Meeting will take place from November 12 to 15 at the Hilton Palacio Del Rio.

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could expect to have with regard to their **personally identifiable information**. Legislators will explore hardware and software vulnerability concerns, impacts on insurance underwriting, and recent efforts at the federal level, including congressional activity.

During a September 29 hearing of the Senate Armed Services



Committee, for instance, James R. Clapper, Director of National Intelligence, provided insight into the major players in cyber-espionage—including **Russia, China, Iran, North Korea, various terrorists, and profit-motivated criminals**. He described risks and costs associated with preparing for and responding to cyber-breaches, and he outlined U.S. intelligence community initiatives to address the problem.

"We foresee," Director Clapper said in his written testimony, "an **ongoing series of low-to-moderate level cyber attacks** from a (cont. on p. 3 sidebar)

Federal Lawmakers Hold Hearing on "Sharing" Economy Impacts, Public Policy Questions

On September 29, members of the U.S. House Energy & Commerce Committee looked at the wide-ranging and somewhat uncertain impacts of the "sharing" economy—a global marketplace in which goods and services are exchanged over online platforms. The hearing, entitled *The Disrupter Series: How the Sharing Economy Creates Jobs, Benefits Consumers, and Raises Policy Questions*, was held by the Subcommittee on Commerce, Manufacturing, and Trade.

NCOIL at its upcoming San Antonio Annual Meeting will take a special look at what "sharing economy"—which includes Uber, Airbnb, TaskRabbit, and an estimated 200 other entities—means and at the public policy questions it raises. The November 14 discussion will explore how the new marketplace affects risk-based pricing and insurance, at whether existing regulation is suitable—or in need of change—and

at broader impacts on the U.S. economy.

Panelists at the NCOIL event will represent the National Association of Insurance Commissioners (NAIC), Insurance Services Office (ISO), and academia. Also anticipated is a Federal Trade Commission (FTC) representative.

Below are excerpts from written testimony at the House hearing.

DEAN BAKER

Co-Director, Center for Economic & Policy Research

"The country has built up an extensive regulatory structure over many decades to protect workers, consumers, and property owners. The sharing economy will require the modernization of this regulatory structure. In some cases, regulations have outlived their usefulness and should be eliminated. However, many of these regulations serve important public purposes."

MICHAEL BECKERMAN

President and CEO, The Internet Association

"Our experience has shown that, when dealing with the sharing economy entry, regulators often labor under the misplaced assumption that the sharing economy bears the hallmarks of the Wild West when it comes to safety and consumer protection. In reality, the facts and evidence point in a different direction."

ALEX CHRISS

Vice President & General Manager, Intuit, Inc.

"The rise of the sharing economy is part of ... [a] fundamental shift to increased self-employment and it represents the next iteration of reduced friction between supply and demand in the labor market....Much more can be done from a regulatory perspective to help the self-employed, including those working in the sharing economy."



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Join us in **San Antonio** for solutions to state, federal & global challenges.

Hurry! Rates go up soon!

November 12 to 15, 2015

Hilton Palacio Del Rio

www.ncoil.org

JON LIEBER

Chief Economist, Thumbtack

“Direct exchange between individuals – facilitated by digital



platforms – is likely to become a more common form of commercial interaction in coming years. As a result, the people doing the work are going to be more empowered but less protected by

the benefits offered by a traditional workplace.”

BOB PASSMORE

Assistant VP, Personal Lines Policy, Property Casualty Insurers Association of America

“While innovators in the sharing economy have designed new ways of using new technology to improve business models, insurers have been innovating new ways of providing protection for centuries and will similarly in the future be the grease that will enable the sharing economy to

evolve, thrive and provide maximum benefits to consumers and businesses.”

LUCELLE SMITH

Driver-Partner, Uber Technologies, Inc.

“Uber has been a great opportunity for me and many others. What I like the most about Uber is the flexibility, it allows drivers to make money on their own time. I don’t have a boss to report to. I don’t have to be ‘on call.’ I work when I want, for as long or as little as I want.”

CDC Moves Forward with New Guidance for Opioid Prescribing

The Centers for Disease Control and Prevention (CDC) is moving forward with new guidelines to establish when and how physicians should prescribe opioids for chronic pain. The standards were shared during a recent CDC webinar with interested parties and will be publicly released when final.

According to the federal agency, the guidelines under development address the prescribing of opioids for patients who are 18 years or older in primary care settings—and specifically the prescribing of opioids for chronic pain that does not include end-of-life care. Chronic pain is defined as pain that lasts more than three months or more time than it takes for normal tissue healing.

The guidelines look at when it’s appropriate to choose opioid therapy in lieu of non-pharmacological or non-opioid treatment, at whether to use extended-release or long-acting opioids, and at dosage and duration-of-treatment issues.

The CDC standards also include, among other items, an evaluation of risk factors for opioid-related harms, using drug testing, and treating opioid misuse.

A “Core Expert Group” that includes, among others, representatives of the Society of General Internal Medicine, American Academy of Family Physicians, and American College of Physicians is providing input—as is a “Stakeholder Review Group” that is a broader collection of

stakeholders, as well as other federal agencies.

According to the CDC:

- > In 2012, 259 million prescriptions were written for opioid pain relievers – enough for every American adult to have a bottle.
- > Prescription opioid sales in the U.S. have gone up 300 % since 1999—with no overall change in how much pain Americans report.
- > Almost 2 million Americans age 12 or older abused or were dependent on opioid pain relievers in 2013.
- > In 2013, more than 16,000 people died in the U.S. from opioid-related overdoses, 4 times the 1999 number.

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variety of sources over time, which will impose cumulative costs on U.S. economic competitiveness and national security.” Cyber threats “pose **one of the gravest national security dangers** to the United States,” he warned.

The NCOIL Annual Meeting will take place from November 12 to 15 in San Antonio, Texas.

NCOIL Annual Meeting Highlights

As part of its discussion and debate on dozens of insurance issues, the NCOIL Annual Meeting in San Antonio will feature the following special sessions:

SPECIAL HEALTH COMMITTEE MEETING ON **TELEMEDICINE**

Friday, November 13
10:30 to 11:45 a.m.

GENERAL SESSION ON THE **“SHARING ECONOMY”**

Saturday, November 14
8:00 to 9:30 a.m.

SYMPOSIUM ON **HEALTH INSURANCE PREMIUMS**

Saturday, November 14
11:00 a.m. to 12:30 p.m.

More information and **full tentative agenda** available online at www.ncoil.org.





NCOILetter

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Section 1332 Waivers to Spotlight Annual Meeting Legislative Luncheon

The Thursday, November 12, Legislator Luncheon Workshop at the NCOIL Annual Meeting will focus on a key element of the Patient Protection and Affordable Care Act (PPACA), known as Section 1332 waivers, that lets states request exemptions from some PPACA requirements—including the individual mandate and the need to set up an exchange.

The luncheon—being presented by the Grif-fith Foundation for Insurance Education as part of the NCOIL Institute for Insurance Policy—will explain what’s involved in applying for a waiver and what criteria HHS and the Department of Treasury will use when considering a Section 1332 request.

The 12:00 to 1:15 p.m. luncheon also will discuss how much flexibility states really have and whether getting a waiver means sacrificing federal funding. Another critical question: What PPACA provisions *cannot* be disregarded?

The event is open to state legislators, who are asked to sign up at the NCOIL Annual Meeting registration desk in San Antonio.

Space is limited; lunch will be served. Attendees will earn credits toward certification by the NCOIL Institute for Insurance Policy.

