

Draft: 11/7/17

Adopted by the Health Insurance and Managed Care (B) Committee – ?

Revised and Adopted by Senior Issues (B) Task Force – Nov. 7, 2017

Adopted by the Senior Issues (B) Task Force – Sept. 28, 2017

2018 PROPOSED CHARGES

SENIOR ISSUES (B) TASK FORCE

The mission of the Senior Issues (B) Task Force is to: 1) consider policy issues; 2) develop appropriate regulatory standards; and 3) revise, as necessary, the NAIC models, consumer guides and training material on Medicare supplement insurance, senior counseling programs and other insurance issues that affect older Americans.

Ongoing Support of NAIC Programs, Products or Services

1. The **Senior Issues (B) Task Force** will:
 - A. Develop appropriate regulatory standards and revisions, as necessary, to the NAIC models, consumer guides and training material on Medicare supplement insurance, senior counseling programs and other insurance issues that affect older Americans.
 - B. Continue to monitor and work with federal agencies to advance appropriate regulatory standards for Medicare supplement and other forms of health insurance applicable to older Americans.
 - C. Review the *Medicare Supplement Insurance Minimum Standards Model Act* (#650) and the *Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act* (#651) to determine if amendments are required based on changes to federal law, and revise if necessary.
 - D. Monitor the Medicare Advantage and Medicare Part D marketplace; assist the states, as necessary, with regulatory issues; and maintain a dialogue and coordinate with the U.S. Centers for Medicare & Medicaid Services (CMS) on regulatory issues, including solvency oversight of waived plans and agent misconduct.
 - E. Monitor and assist the states in the implementation of changes to Model #651 to modernize the Medicare supplement market, as approved by the NAIC membership in March 2007 and as required by the federal Medicare Improvement for Patients and Providers Act of 2008 and the federal Genetic Information Nondiscrimination Act of 2008.
 - F. Continue to monitor the changes in the Medicare supplement insurance market and assist the states with implementation of amendments to Model #650 and Model #651 due to federal statutory changes.
 - G. Provide the perspective of state insurance regulators to the U.S. Congress, as appropriate, and CMS on insurance issues, including those concerning the effect and result of federal activity on the senior citizen health insurance marketplace and regulatory scheme.
 - H. Review and monitor state and federal relations with respect to senior health care initiatives and other impacts on the states. Work with federal agencies as appropriate.
 - I. Work with CMS to revise the annual joint publication, *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*.
 - J. Monitor developments concerning the State Health Insurance Assistance Programs (SHIPs), including information on legislation impacting the funding of SHIPs; provide assistance to the states with issues relating to SHIPs; support strong a partnership between SHIPs and CMS, and provide the perspective of state insurance regulators to federal officials, as appropriate on issues concerning SHIPs.
 - K. Assist the states and serve as a clearinghouse for information on Medicare Advantage plan activity.
 - L. Monitor and maintain, in accordance with changes to Model #651 approved by the NAIC membership in March 2007, a record of state approvals of all Medicare supplement insurance new or innovative benefits for use by state insurance regulators and others.
 - M. Review, in accordance with changes to Model #651 approved by the NAIC membership in March 2007, state-approved new or innovative benefits, and consider whether to recommend that they be made part of standard benefit plan designs in the model regulation.
 - N. Develop appropriate regulatory standards and revisions, as necessary, to the NAIC models, consumer guides and training material on long-term care insurance. Work with federal agencies as appropriate.
 - O. Continue to study and evaluate evolving long-term care insurance product design, rating, suitability and other related factors. Review the existing *Long-Term Care Insurance Model Act* (#640) and the *Long-Term Care Insurance Model Regulation* (#641) to determine their flexibility to remain compatible with the evolving delivery of long-term care services and remain compatible with the evolving long-term care insurance marketplace.

- P. Monitor and provide assistance to the states on the implementation of the 2000 and 2014 amendments to Model #641 related to rating practices, as well as the model bulletin adopted by the NAIC membership in December 2013 regarding alternative filing requirements for long-term care premium rate increases.
 - Q. Examine whether there is anything the NAIC can or should do to address possible long-term care insurance reserve deficiencies and rating issues, such as mitigation against rate increases and death spirals.
 - R. Explore options, in line with the current Model #640 and Model #641, where appropriate, and monitor efforts to ensure the fair or equal treatment of policyholders, including those in situations where policyholders live in multiple states.
 - S. Examine how regulators should treat the spin-off or transfer of closed blocks of long-term care insurance business to another entity, including process issues related thereto.
 - T. Examine examples of health-related financial exploitation of seniors and work with other NAIC committees, task forces and/or working groups on possible solutions.
2. The **Long-Term Care Benefit Adjustment (B) Subgroup** will:
- A. Determine what contractual authority is required to make a benefit change to a long-term care insurance policy, including as an alternative to a rate revision.
 - B. Evaluate whether reduction of daily benefits upon the elimination of inflation protection pursuant to a contractual provision is reasonable.
 - C. Evaluate the sufficiency of disclosure requirements associated with policy provisions to reduce benefit amounts.
 - D. Determine what actuarial equivalence is appropriate for benefit change proposals and recommend related disclosure improvements.
- ~~3. The **Long-Term Care Consumer Disclosure (B) Subgroup** will:~~
- ~~A. Review the existing requirements for consumer disclosures contained in Model #640, Model #641 and the *Guidance Manual for Rating Aspects of the Long-Term Care Insurance Model Regulation (Guidance Manual)* and make recommendations for needed improvements to the Task Force.~~
 - ~~B. Continue to consider all consumer disclosure requirements for long-term care insurance, including those provided at the time of issue, as well as those provided at the time of rate increase.~~
- ~~4. The **Medigap (B) Subgroup** will:~~
- ~~A. Review the specific changes made to Medicare supplement insurance (Medigap), under the federal Medicare Access and CHIP Reauthorization Act of 2015, which was signed into law April 16, 2015 (Public Law No. 114-10).~~
 - ~~B. Revise and conform Model #650, Model #651 and consumer guides and training material on Medigap to the specific enacted changes prohibiting coverage of the Medicare Part B deductible for beneficiaries that become eligible for Medicare beginning on or after Jan. 1, 2020.~~
- 5.3. The **Long-Term Care Innovation (B) Subgroup** will:
- A. Examine the future of financing long-term care given the significant impact of long-term care costs on state budgets through state Medicaid programs, including an assessment of the role the private market should play.
 - B. Review the number of alternative products structures being developed and, in some cases, sold by companies (e.g., long-term care/life combination products, term products and universal long-term care policies). Consider whether these are viable alternative products and what other types of products may assist in financing long-term care costs. This does not include an examination of rating issues facing the legacy long-term care insurance products.
 - C. Examine whether amendments are needed to current NAIC models and/or regulations, whether there is a need for new models or regulations to accommodate a changing market, or whether federal action may be necessary and should be encouraged.
 - D. Discuss the legal and regulatory barriers that may need to be overcome to improve the functioning of the private long-term care insurance market to assist in financing long-term care needs.
 - E. Consider the pricing issues with any potential new long-term care financing products and whether the pricing of these products creates a stable market.
 - F. Work with private insurance companies, consumers and consumer advocates about the future role of insurance in financing long-term care given the history of long-term care insurance over the past few decades, including the role they see for the private market and the types of products that are most appealing to them.
- ~~6. The **Short-Term Health Policies Providing Long-Term Care Benefits (B) Subgroup** will:~~
- ~~A. Examine whether short-term, long-term care insurance products that are currently being discussed as part of the review and revision of the *Accident and Sickness Insurance Minimum Standards Model Act (#170)* and the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171)* should be regulated in accordance with the provisions of Model #640 and Model #641.~~

74. The **Short Duration Long-Term Care Policies of Short Duration (B) Subgroup** will:
- A. Create a model to address long-term care (LTC) products of short duration that are excluded from Model #640 and Model #641 but do not quite fit under the *Accident and Sickness Insurance Minimum Standards Model Act* (#170) and the *Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act* (#171).

5. The Long-Term Care Shopper's Guide (B) Working Group will:

- A. Revise and update *A Shopper's Guide to Long-Term Care Insurance*.**

NAIC Support Staff: David Torian