



Association Active Across Multiple States Protecting the Self-Insurance Market- place

Throughout 2017, the Self-Insurance Institute of America, Inc. (SIIA) has spearheaded advocacy campaigns in state capitals across the country in response to a variety of legislative/regulatory developments affecting the self-insurance marketplace. As a result of this engagement and outreach, SIIA has been able to obtain tangible policy outcomes for its members.

These successful policy campaigns have been made possible by a team led by SIIA State Government Relations Vice President Adam Brackemyre, supported by outside advocacy counsel, media professionals, partner organizations and a number of SIIA members who generously used their time to get involved.

Provided below is a summary of key developments and SIIA activities during 2017. More in-depth details will be provided during the Legislative/Regulatory Update session included as part of SIIA's Self-Insured Health Plan Executive Forum, scheduled for March 5-7, 2018, in Charleston, SC. This session will provide a first look at what state developments to expect going forward, as well as other updates, so please plan to attend. Should you have any questions in the meantime, please contact Adam Brackemyre at abrackemyre@sia.org.

New Mexico



Earlier this year, the legislature passed and the governor signed SIIA-supported language to amend New Mexico's odd statutory language that defined stop loss as a form of health insurance.

Over the past two years, SIIA, working with an in-state lobbyist, addressed concerns stemming from the regulatory treatment of stop-loss form filings: that new stop-loss filings meet health insurance medical loss ratios.

Working closely with the regulators and other stakeholders, a consensus was reached to change New Mexico law through amended legislative language. The Office of the Superintendent of Insurance (OSI) included this language in its omnibus legislation, Senate Bill (SB) 367, and SIIA worked with a legislative sponsor to introduce the small fix House Bill (HB) 336. SIIA supported both bills containing identical language.

During legislative hearings, SIIA served as the primary witness for HB 336, testifying for the legislation in the State House of Representatives and lobbying legislators on the committee of jurisdiction. This was a successful endeavor as both bills passed, helping SIIA members and the OSI, who appreciated industry support for the final legislation.

New York



SIIA continues to fight to protect the 51-100 market for "small employers" in New York State.

This year, SIIA was able to obtain an additional one-year renewal for grandfathered stop-loss contracts through legislation passed by the legislature and signed by the governor.

During its Albany lobby day, SIIA learned that the Assembly would not move SIIA's legislation to permanently protect the 51-100 market until a Department of Financial Services-commissioned stop-loss study comes out in March 2018, but would allow grandfathered stop-loss contracts to renew through January 1, 2019. This was the best possible outcome given the politics – and allows SIIA member clients to keep their health plan through this year's and next year's renewal.

Throughout the legislative process, SIIA lobbyists and several members met with Assembly Insurance Committee members, Assembly and Senate leadership, Department of Financial Services staff and Governor Cuomo's policy advisors. SIIA also worked with members to place favorable op-eds in Buffalo, Syracuse and New York City-area newspapers.

SIIA will once again actively engage in New York State next year, working to permanently protect the 51-100 stop-loss market.

Nevada



SIIA has been an active participant on a state regulatory task force reviewing stop-loss regulations, submitting comments and working with a stakeholder group to form and improve the panel's final recommendations.

The Governor's Advisory Task Force on Health Care began reviewing the state's stop-loss regulations earlier this year. Although public information about the committee's work is challenging to find, SIIA was able to obtain working drafts and comment on some of the ideas the group was discussing via conference call and written comments.

One of the better pieces of news from the task force is that it has been supportive of eliminating the \$4,000 per-person aggregate.

SIIA input addressed an earlier concern, likely a drafting error, requiring carriers to issue a standardized state-created disclosure form to large employer (51+) clients.

Moving forward, SIIA will address a remaining draft proposing a ban on very small group contracts.

The Nevada Department of Insurance will likely propose new regulations adopting some of the task force's recommendations as a next step in the process.

Maryland



SIIA has worked throughout this past year to lay the groundwork for expected stop-loss legislation next year in Maryland.

This work stems from sun-setting 2015 stop-loss legislation which raised minimum the minimum individual and aggregate attachment points and requires carriers to provide a small employer disclosure form.

Late this year, the SIIA-led Preserving Employer Health Plan Choices (PEHP-C) coalition reconvened, and is having ongoing conversations with non-member stakeholders who were extremely valuable allies since the coalition's 2015 inception. While it remains unclear how the legislative process and politics will play out, SIIA is planning to continue serving at the PEHP-C chair, retain a lobbyist and remind legislators and regulators about the need to preserve small employer health plan options.

Minnesota



Working with stakeholders, SIIA helped to ensure that greater stop-loss contract flexibility is now available in Minnesota.

In January, SIIA worked with business and insurance stakeholders to support Senate File (SF) 1, which deregulated stop-loss contract insurance standards. SIIA provided state law examples and other information, as necessary, to allay legislative and regulatory concerns.

SIIA remains concerned that one insurer will seek to restrict stop-loss, stemming from fears of that insurer's management that some small groups will choose self-insurance over their product.

Maine



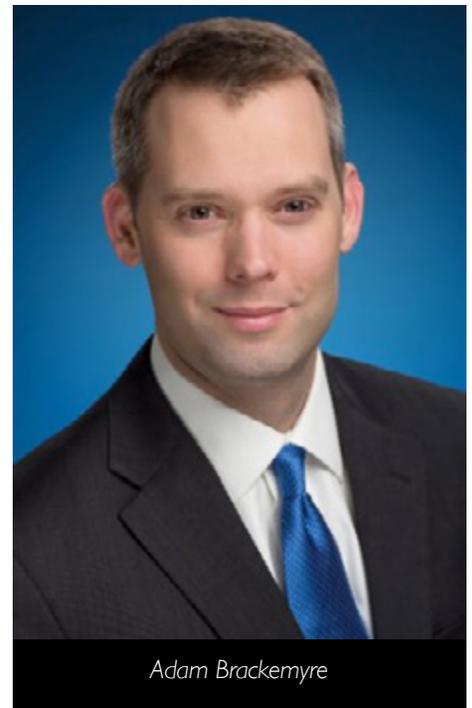
During the recent legislation session, SIIA helped defeat legislation prohibiting small employer stop-loss contracts, and is working with regulators and stakeholders to determine appropriate regulatory standards for small employer stop-loss contracts.

This year, two legislators introduced Legislative Document (LD) 608 that would have prohibited stop-loss carriers from issuing contracts to "small employers." In response, SIIA worked with members, including carriers, TPAs and brokers, to create opposition and filed a letter of opposition with each legislator.

As a result of this, the legislation was ultimately pulled as legislators gained a better understanding of how self-insurance is working for some smaller employers. Instead of hastily passing a law, legislators directed the Bureau of Insurance (BOI) to learn more about the issue.

As part of the agreement with legislators, the BOI issued a series of questions to stakeholders including the topics of appropriate small employer minimum attachment points, lasing and other protections small employers need and conducted a stakeholder meeting on November 9th. Before attending the meeting, SIIA sent a letter addressing the various BOI questions. There will likely be an additional stakeholder meeting prior to the BOI drafting and proposing small employer product regulations.

SIIA will keep you informed on all breaking state activity in 2018. If you have state legislative or regulatory questions at any time, don't hesitate to contact Adam Brackemyre at abrackemyre@siaa.org. ■



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