



U.S. Department of Justice
Office of the Attorney General

August 12, 1994

TO: Walter Dellinger
 ✓ Merrick Garland
 Bob Litt
 Hogan

FROM: John Hogan

Attached is a safe harbour proposal drafted by Florida. They asked me to get it to you.

A copy was also sent to HHS.

FROM:

TO:

202 514 0468

AUG 11, 1994

5:31PM P.01



The State of Florida's

Washington Office

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FOLLOWING 2 PAGES

TO:

John Argo

fax # _____

phone # _____

FROM:

A. Kilmer

DATE:

8-10

TIME: _____

NOTE:

① *per conversation*

② *file - your copy*

DRAFT No. 2
August 11, 1994

SAFE HARBOR REGULATION FOR INSURANCE AGENTS

42 CFR § 1001.952

(o) *Insurance agents.* As used in section 1128B of the Act, "remuneration" does not include any payment made to an insurance agent by an insurance company or health maintenance organization as compensation for the services of the insurance agent marketing and enrolling any individual in an insurance plan for which the premium is paid in whole or in part by a State health program, as long as all of the following standards are met --

- (1) The insurance agent is licensed by the state(s) in which he is doing business.
- (2) The insurance company and the insurance agent enter into an agreement which is set out in writing, signed by the parties and specifies the services to be provided by the insurance agent.
- (3) The compensation paid to the insurance agent, whether variable or fixed, does not
 - (a) Increase unnecessary utilization of health care goods or services;
 - (b) Increase the cost of health care goods or services;
 - (c) Interfere with the choice of an individual in selecting a health care good or service or a health insurance plan for which payment may be made in whole or in part under a State health care program.
- (4) The insurance agent is enrolling individuals as part of a Section 1115 demonstration project approved by the Health Care Financing Administration and the demonstration project requires:
 - (a) Consistent monitoring of sales and enrollment practices by the appropriate state agency.
 - (b) Each health plan to offer a standardized benefit plan which guarantees minimum benefits regardless of the health plan selected.