



House of Representatives

General Assembly

File No. 264

January Session, 2009

House Bill No. 5018

House of Representatives, March 26, 2009

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING REVIEWS OF HEALTH INSURANCE BENEFITS MANDATED IN THIS STATE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2009*) (a) As used in this section:
- 2 (1) "Commissioner" means the Insurance Commissioner.
- 3 (2) "Mandated health benefit" means an existing statutory obligation
- 4 of, or proposed legislation that would require, an insurer, health care
- 5 center, hospital service corporation, medical service corporation,
- 6 fraternal benefit society or other entity that offers individual or group
- 7 health insurance or medical or health care benefits plan in this state to:
- 8 (A) Permit an insured or enrollee to obtain health care treatment or
- 9 services from a particular type of health care provider; (B) offer or
- 10 provide coverage for the screening, diagnosis or treatment of a
- 11 particular disease or condition; or (C) offer or provide coverage for a
- 12 particular type of health care treatment or service, or for medical
- 13 equipment, medical supplies or drugs used in connection with a health

14 care treatment or service. "Mandated health benefit" includes any
15 proposed legislation to expand or repeal an existing statutory
16 obligation relating to health insurance coverage or medical benefits.

17 (b) (1) There is established within the Insurance Department a
18 health benefit review program for the review and evaluation of any
19 mandated health benefit that is requested by the joint standing
20 committee of the General Assembly having cognizance of matters
21 relating to insurance. Such program shall be funded by the Insurance
22 Fund established under section 38a-52a of the general statutes. The
23 commissioner shall be authorized to make assessments in a manner
24 consistent with the provisions of chapter 698 of the general statutes for
25 the costs of carrying out the requirements of this section. Such
26 assessments shall be in addition to any other taxes, fees and moneys
27 otherwise payable to the state. The commissioner shall deposit all
28 payments made under this section with the State Treasurer. The
29 moneys deposited shall be credited to the Insurance Fund and shall be
30 accounted for as expenses recovered from insurance companies. Such
31 moneys shall be expended by the commissioner to carry out the
32 provisions of this section and section 2 of this act.

33 (2) The commissioner shall contract with The University of
34 Connecticut Center for Public Health and Health Policy to conduct any
35 mandated health benefit review requested pursuant to subsection (c)
36 of this section. The director of said center may engage the services of
37 an actuary, quality improvement clearinghouse, health policy research
38 organization or any other independent expert, and may engage or
39 consult with any dean, faculty or other personnel said director deems
40 appropriate within The University of Connecticut schools and colleges,
41 including, but not limited to, The University of Connecticut (A) School
42 of Business, (B) School of Dental Medicine, (C) School of Law, (D)
43 School of Medicine, and (E) School of Pharmacy.

44 (c) Not later than August first of each year, the joint standing
45 committee of the General Assembly having cognizance of matters
46 relating to insurance shall submit to the commissioner a list of any

47 mandated health benefits for which said committee is requesting a
48 review. Not later than January first of the succeeding year, the
49 commissioner shall submit a report, in accordance with section 11-4a
50 of the general statutes, of the findings of such review and the
51 information set forth in subsection (d) of this section.

52 (d) The review report shall include at least the following, to the
53 extent information is available:

54 (1) The social impact of mandating the benefit, including:

55 (A) The extent to which the treatment, service or equipment,
56 supplies or drugs, as applicable, is utilized by a significant portion of
57 the population;

58 (B) The extent to which the treatment, service or equipment,
59 supplies or drugs, as applicable, is currently available to the
60 population, including, but not limited to, coverage under Medicare, or
61 through public programs administered by charities, public schools, the
62 Department of Public Health, municipal health departments or health
63 districts or the Department of Social Services;

64 (C) The extent to which insurance coverage is already available for
65 the treatment, service or equipment, supplies or drugs, as applicable;

66 (D) If the coverage is not generally available, the extent to which
67 such lack of coverage results in persons being unable to obtain
68 necessary health care treatment;

69 (E) If the coverage is not generally available, the extent to which
70 such lack of coverage results in unreasonable financial hardships on
71 those persons needing treatment;

72 (F) The level of public demand and the level of demand from
73 providers for the treatment, service or equipment, supplies or drugs,
74 as applicable;

75 (G) The level of public demand and the level of demand from

76 providers for insurance coverage for the treatment, service or
77 equipment, supplies or drugs, as applicable;

78 (H) The likelihood of achieving the objectives of meeting a
79 consumer need as evidenced by the experience of other states;

80 (I) The relevant findings of state agencies or other appropriate
81 public organizations relating to the social impact of the mandated
82 health benefit;

83 (J) The alternatives to meeting the identified need, including, but
84 not limited to, other treatments, methods or procedures;

85 (K) Whether the benefit is a medical or a broader social need and
86 whether it is consistent with the role of health insurance and the
87 concept of managed care;

88 (L) The potential social implications of the coverage with respect to
89 the direct or specific creation of a comparable mandated benefit for
90 similar diseases, illnesses or conditions;

91 (M) The impact of the benefit on the availability of other benefits
92 currently offered;

93 (N) The impact of the benefit as it relates to employers shifting to
94 self-insured plans and the extent to which the benefit is currently being
95 offered by employers with self-insured plans;

96 (O) The impact of making the benefit applicable to the state
97 employee health insurance or health benefits plan; and

98 (P) The extent to which credible scientific evidence published in
99 peer-reviewed medical literature generally recognized by the relevant
100 medical community determines the treatment, service or equipment,
101 supplies or drugs, as applicable, to be safe and effective; and

102 (2) The financial impact of mandating the benefit, including:

103 (A) The extent to which the mandated health benefit may increase

104 or decrease the cost of the treatment, service or equipment, supplies or
105 drugs, as applicable, over the next five years;

106 (B) The extent to which the mandated health benefit may increase
107 the appropriate or inappropriate use of the treatment, service or
108 equipment, supplies or drugs, as applicable, over the next five years;

109 (C) The extent to which the mandated health benefit may serve as
110 an alternative for more expensive or less expensive treatment, service
111 or equipment, supplies or drugs, as applicable;

112 (D) The methods that will be implemented to manage the utilization
113 and costs of the mandated health benefit;

114 (E) The extent to which insurance coverage for the treatment,
115 service or equipment, supplies or drugs, as applicable, may be
116 reasonably expected to increase or decrease the insurance premiums
117 and administrative expenses for policyholders;

118 (F) The extent to which the treatment, service or equipment,
119 supplies or drugs, as applicable, is more or less expensive than an
120 existing treatment, service or equipment, supplies or drugs, as
121 applicable, that is determined to be equally safe and effective by
122 credible scientific evidence published in peer-reviewed medical
123 literature generally recognized by the relevant medical community;

124 (G) The impact of insurance coverage for the treatment, service or
125 equipment, supplies or drugs, as applicable, on the total cost of health
126 care, including potential benefits or savings to insurers and employers
127 resulting from prevention or early detection of disease or illness
128 related to such coverage;

129 (H) The impact of the mandated health care benefit on the cost of
130 health care for small employers, as defined in section 38a-564 of the
131 general statutes, and for employers other than small employers; and

132 (I) The impact of the mandated health benefit on cost-shifting
133 between private and public payors of health care coverage and on the

134 overall cost of the health care delivery system in the state.

135 Sec. 2. (*Effective July 1, 2009*) The commissioner shall carry out a
136 review as set forth in section 1 of this act of statutorily mandated
137 health benefits existing on or effective on July 1, 2009. The
138 commissioner shall submit, in accordance with section 11-4a of the
139 general statutes, the findings to the joint standing committee of the
140 General Assembly having cognizance of matters relating to insurance
141 not later than January 1, 2010.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section

INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill requires the Insurance Department (DOI) to establish a health benefit review program, creating an increased workload for the agency that can be accommodated within existing resources, and does not result in a fiscal impact.

The Out Years

None

OLR Bill Analysis**HB 5018*****AN ACT CONCERNING REVIEWS OF HEALTH INSURANCE
BENEFITS MANDATED IN THIS STATE.*****SUMMARY:**

This bill establishes a health benefit review program within the Insurance Department to evaluate the social and financial impacts of mandated health benefits.

The bill requires the insurance commissioner to review mandated health benefits existing or effective on July 1, 2009. He must report findings to the Insurance and Real Estate Committee by January 1, 2010. It requires the committee, annually by August 1, to give the commissioner a list of any mandated health benefits it wants reviewed. The commissioner must review those benefit and report findings to the committee by the next January 1. The reports must include specified information (see below).

The bill requires the commissioner to contract with the UConn Center for Public Health and Health Policy to conduct the reviews. It authorizes the center's director, as he or she deems appropriate, to (1) retain an actuary, quality improvement clearinghouse, health policy research organization, or other independent expert and (2) engage or consult with any UConn dean, faculty, or other personnel.

The bill requires the Insurance Fund to pay for the review program. It authorizes the commissioner to assess insurers for the program's costs. It specifies that the assessment is in addition to any other taxes, fees, and money the insurers pay to the state. The bill requires the commissioner to deposit payments with the state treasurer, who must credit them to the Insurance Fund as expenses recovered from

insurers.

EFFECTIVE DATE: July 1, 2009

MANDATED HEALTH BENEFIT

The bill defines “mandated health benefit” as a statutory obligation of, or proposed legislation that would require, an insurer, HMO, hospital or medical service corporation, fraternal benefit society, or other entity offering health insurance or benefits in Connecticut to:

1. allow an insured or plan enrollee to obtain health care treatment or services from a particular type of health care provider;
2. offer or provide coverage for the screening, diagnosis, or treatment of a particular disease or condition; or
3. offer or provide coverage for (a) a particular type of health care treatment or service or (b) medical equipment, medical supplies, or drugs used in connection with a health care treatment or service.

The term includes proposed legislation to expand or repeal an existing health insurance or medical benefit statutory requirement.

REVIEW REQUIREMENTS

The bill requires a mandated health benefit review report to address the benefit’s social and financial impacts.

Social Impact

The report must include the social impact of mandating the benefit, including, to the extent available, at least the following:

1. the extent to which a significant portion of the population uses the treatment, service, equipment, supplies, or drugs;
2. the extent to which the treatment, service, or equipment is, or supplies and drugs are, available under Medicare or through public programs that charities, public schools, the Department

- of Public Health, municipal health departments or districts, or the Department of Social Services administer;
3. the extent to which insurance policies already cover the treatment, service, equipment, supplies, or drugs;
 4. if coverage is not generally available, the extent to which this results in (a) people being unable to obtain necessary treatment and (b) unreasonable financial hardships on those needing treatment;
 5. the level of demand from the public and health care providers for (a) the treatment, service, equipment, supplies, or drugs and (b) insurance coverage for these;
 6. the likelihood of meeting a consumer need based on other states' experiences;
 7. relevant findings of state agencies or other appropriate public organizations relating to the benefit's social impact;
 8. alternatives to meeting the identified need, including other treatments, methods, or procedures;
 9. whether the benefit is (a) a medical or broader social need and (b) consistent with the role of health insurance and managed care concepts;
 10. potential social implications regarding the direct or specific creation of a comparable mandated benefit for similar diseases, illnesses, or conditions;
 11. the benefit's impact (a) on the availability of other benefits already offered and (b) on employers shifting to self-insured plans;
 12. the extent to which employers with self-insured plans offer the benefit;

13. the impact of making the benefit apply to the state employees' health plan; and
14. the extent to which credible scientific evidence published in peer-reviewed medical literature that the relevant medical community generally recognizes determines the treatment, service, equipment, supplies or drugs safe and effective.

Financial Impact

The report must include the financial impact of mandating the benefit, including, to the extent available, at least the following:

1. the extent to which the benefit may increase or decrease, over the next five years, (a) the cost of the treatment, service, equipment, supplies, or drugs and (b) the appropriate or inappropriate use of it;
2. the extent to which the treatment, service, or equipment is, or supplies or drugs are, more or less expensive than another that credible scientific evidence published in peer-reviewed medical literature that the relevant medical community generally recognizes is determined to be equally safe and effective;
3. the extent to which the treatment, service, equipment, supplies, or drugs could be an alternative for a more or less expensive one;
4. the reasonably expected increase or decrease of a policyholder's insurance premiums and administrative expenses;
5. methods that will be implemented to manage the benefit's utilization and costs;
6. the impact on the (a) the total cost of health care, including potential savings to insurers and employers resulting from prevention or early detection of disease or illness and (b) cost of health care for small employers and other employers; and

7. the impact on (a) cost-shifting between private and public payors of health care coverage and (b) the overall cost of the state's health care delivery system.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/10/2009)