House of Representatives

File No. 821

General Assembly

January Session, 2011

(Reprint of File Nos. 40 and 758)

Substitute House Bill No. 5032
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 20, 2011

AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR BONE MARROW TESTING.

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

Section 1. (NEW) (*Effective January 1, 2012*) (a) Subject to the provisions of subsection (b) of this section, each individual health insurance policy providing coverage of the type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general statutes delivered, issued for delivery, amended, renewed or continued in this state shall provide coverage for expenses arising from human leukocyte antigen testing, also referred to as histocompatibility locus antigen testing, for A, B and DR antigens for utilization in bone marrow transplantation.

(b) No such policy shall impose a coinsurance, copayment, deductible or other out-of-pocket expense for such testing in excess of twenty per cent of the cost for such testing per year. The provisions of this subsection shall not apply to a high deductible health plan as that term is used in subsection (f) of section 38a-493 of the general statutes.

(c) Such policy shall:

(1) Require that such testing be performed in a facility (A) accredited by the American Society for Histocompatibility and Immunogenetics, or its successor, and (B) certified under the Clinical Laboratory Improvement Act of 1967, 42 USC Section 263a, as amended from time to time; and

(2) Limit coverage to individuals who, at the time of such testing, complete and sign an informed consent form that also authorizes the results of the test to be used for participation in the National Marrow Donor Program.

(d) Such policy may limit such coverage to a lifetime maximum benefit of one testing.

Sec. 2. (NEW) (*Effective January 1, 2012*) (a) Subject to the provisions of subsection (b) of this section, each group health insurance policy providing coverage of the type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general statutes delivered, issued for delivery, amended, renewed or continued in this state shall provide coverage for expenses arising from human leukocyte antigen testing, also referred to as histocompatibility locus antigen testing, for A, B and DR antigens for utilization in bone marrow transplantation.

(b) No such policy shall impose a coinsurance, copayment, deductible or other out-of-pocket expense for such testing in excess of twenty per cent of the cost for such testing per year. The provisions of this subsection shall not apply to a high deductible health plan as that term is used in subsection (f) of section 38a-520 of the general statutes.

(c) Such policy shall:

(1) Require that such testing be performed in a facility (A) accredited by the American Society for Histocompatibility and Immunogenetics, or its successor, and (B) certified under the Clinical Laboratory Improvement Act of 1967, 42 USC Section 263a, as

amended from time to time; and

(2) Limit coverage to individuals who, at the time of such testing, complete and sign an informed consent form that also authorizes the results of the test to be used for participation in the National Marrow Donor Program.

(d) Such policy may limit such coverage to a lifetime maximum benefit of one testing.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*January 1, 2012*	New section
Sec. 2	*January 1, 2012*	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 $	FY 13 $
Comptroller Misc. Accounts (Fringe Benefits)	GF & TF - Cost	Potential	Potential

Note: GF=General Fund and TF= Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 12 $	FY 13 $
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

As of July 1, 2010, the State Employees' Health plan went self insured. Pursuant to current federal law, the state's self-insured health plan would be exempt from state health insurance benefit mandates. However, in previous self-funded arrangements the state has traditionally adopted all state mandates. To the extent that the state continues this practice of voluntary mandate adoption, the following impacts would be anticipated.

It is estimated that the state employee health plan will incur a per test cost which could range from $40-$100, as this coverage is currently limited to members for which the procedure is deemed medically necessary. The bill requires coverage for all plan members and is not exclusive for those members for whom testing is medically necessary for matching purposes. The annual cost would depend on the number of tests administered.

To the extent that municipalities do not provide coverage for bone

marrow testing, there may be increased costs to provide it. The impact on municipalities depends on how many municipalities provide this coverage and that cannot be determined at this time. The coverage requirements may result in increased premium costs when municipalities enter into new contracts for health insurance after January 1, 2012. Due to federal law, municipalities with self-insured health plans are exempt from state health insurance benefit mandates.

The state employee health plan and many municipal health plans are recognized as "grandfathered" health plans under the Patient Protection and Affordable Care Act (PPACA)[1]. It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of the state employee health plan or grandfathered municipal plans PPACA[2].

House "A" removes language which would require coverage for tests which are medically necessary. The change results in the fiscal impact identified herein.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

In addition, the federal health care reform act requires that, effective January 1, 2014; all states must establish a health benefit exchange, which will offer qualified plans that must include a federally defined

[1] According to the PPACA, compared to the plans' policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

[2] According to the PPACA, compared to the plans' policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

essential benefits package. While states are allowed to mandate benefits in excess of the basic package, the federal law appears to require the state to pay the cost of any such additional mandated benefits. The extent of these costs will depend on the mandates included in the federal essential benefit package, which have not yet been determined. Neither the agency nor mechanism for the state to pay these costs has been established.

OLR Bill Analysis

sHB 5032 (as amended by House "A")*

AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR BONE MARROW TESTING.

SUMMARY:

This bill requires health insurance policies to cover testing to determine compatibility for bone marrow transplants, known as human leukocyte antigen testing and also referred to as histocompatibility locus antigen testing, for A, B, and DR antigens. Under the bill, a policy (1) may limit coverage to one covered test in a person's lifetime and (2) cannot impose a coinsurance, copayment, deductible, or other out-of-pocket expense for the testing that exceeds 20% of the cost for testing per year, unless it is a high-deductible policy designed to be compatible with federally qualified health savings accounts.

The bill requires a policy to (1) require bone marrow testing at a facility certified under the federal Clinical Laboratory Improvement Act and accredited by the American Society for Histocompatibility and Immunogenetics or its successor and (2) limit coverage to people who sign up for the National Marrow Donor Program when being tested.

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan.

Under federal law (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

*House Amendment "A" removes the provision requiring that the bone marrow testing be "medically necessary."

EFFECTIVE DATE: January 1, 2012

BACKGROUND

Legislative History

On March 16, the House referred the bill (File 40) to the Appropriations Committee, which approved a substitute that limited the coverage requirement to only "medically necessary" human leukocyte antigen testing.

Clinical Laboratory Improvement Act

The federal Centers for Medicare and Medicaid Services regulate all laboratory testing (except research) performed on people in the United States under the Clinical Laboratory Improvement Act.

American Society for Histocompatibility and Immunogenetics

This society is a nonprofit association of clinical and research professionals, including immunologists, geneticists, transplant physicians and surgeons, and pathologists. It is a member of the United Network for Organ Sharing and works with numerous scientific and medical organizations, including the National Marrow Donor Program. It develops and maintains accreditation standards for laboratories.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable
Yea 12 Nay 6 (02/17/2011)

Appropriations Committee

Joint Favorable Substitute
Yea 39 Nay 6 (04/25/2011)