



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Testimony

### Public Health Committee

March 14, 2014

#### **Raised Bill No. 5529 AN ACT CONCERNING THE DEFINITIONS OF MEDICAL NECESSITY.**

Senator Gerratana, Representative Johnson, and members of the Public Health Committee, the Insurance Department respectfully opposes **Raised House Bill No. 5529: An Act Concerning The Definitions Of Medical Necessity**. Generally, raised Bill No. 5529 would amend the definition of medical necessity as it applies to the Department of Social Services (DSS) and makes changes to the commercial insurance statutory definition of medical necessity.

The Connecticut Insurance Department opposes this bill as we believe it to be unnecessary and potentially confusing. For background, the definition of medical necessity that was adopted on 2007 and is codified in the Insurance statutes at 38a-513c and 38a-482a and is applicable to group and individual insurance respectively, is one that was drafted by the American Medical Association as part of a multi-company managed care litigation settlement. As part of the settlement, the managed care companies agreed to use this standard definition in all policies and shortly after the settlement, advocates in this state, including the Healthcare Advocate, proposed and supported the enactment of this standard definition to establish a consistent framework to defining medical necessity under the insurance statutes.

With respect to changes to the commercial insurance definition, changes to the existing definition to specifically include behavioral health are unnecessary as it already applies to behavioral health. If this change is made, it does potentially affect the overall interpretive breadth of the statute as it applies to specific specialties since under statutory construction rules, once specific specialties are mentioned, some could raise the question that if others are not so designated, the statutory definition may no longer be applicable to that specialty since the legislature chose not to clearly so denote. Additionally, the elimination of the credible scientific standards requirements could be construed to permit the provider to claim any order is medically necessary without justification.

The Department thanks the Public Health Committee Chairs and members for the opportunity to provide this testimony on this bill. The Department respectfully requests that this bill not receive a favorable vote.

**About the Connecticut Insurance Department:** The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.