



Senate

General Assembly

File No. 43

January Session, 2015

Senate Bill No. 175

Senate, March 10, 2015

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR PATIENT LIFTS.

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

1 Section 1. (NEW) (*Effective January 1, 2016*) Each individual health
2 insurance policy providing coverage of the type specified in
3 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
4 statutes delivered, issued for delivery, renewed, amended or
5 continued in this state, shall provide coverage for the purchase or
6 rental of a patient lift that operates to lift an individual from a bed or a
7 wheelchair by hydraulic operation, provided such individual's treating
8 physician has certified, in writing, that the patient lift is medically
9 necessary.

10 Sec. 2. (NEW) (*Effective January 1, 2016*) Each group health insurance
11 policy providing coverage of the type specified in subdivisions (1), (2),
12 (4), (11) and (12) of section 38a-469 of the general statutes delivered,
13 issued for delivery, renewed, amended or continued in this state, shall
14 provide coverage for the purchase or rental of a patient lift that

15 operates to lift an individual from a bed or a wheelchair by hydraulic
16 operation, provided such individual's treating physician has certified,
17 in writing, that the patient lift is medically necessary.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2016</i>	New section
Sec. 2	<i>January 1, 2016</i>	New section

INS *Joint Favorable*

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 16 \$	FY 17 \$
State Comptroller - Fringe Benefits (State Employee and Retiree Health Accounts)	GF, TF - Cost	Approximately \$1.4 million	Approximately \$2.7 million
The State	Indeterminate - Cost	Approximately \$670,000	Approximately \$1.3 million

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	STATE MANDATE - Cost	Approximately \$825,000	Approximately \$1.6 million

Explanation

The bill will result in a cost to the state employee and retiree health plan¹, municipalities, and the state, for providing coverage for the purchase or renting of a hydraulic patient lift which is deemed medically necessary. The total estimated cost to the state in FY 16 is approximately \$2.1 million and \$4 million in FY 17. This cost is attributable to (1) the estimated cost to the state plan in FY 16 and FY 17 of approximately \$1.4 million and \$2.7 million respectively and (2) the cost to the state pursuant to the federal Affordable Care Act (ACA) (see below) in FY 16 and FY 17 of approximately \$670,000 and \$1.3 million respectively. The cost to fully insured municipalities in FY 16

¹ The state employee and retiree health plan is a self-insured health plan. Pursuant to federal law, self-insured health plans are exempt from state health mandates. However, the state has traditionally adopted all state health mandates.

and FY 17 is approximately \$825,000 and \$1.6 million respectively.²

The actual cost to the state plan to provide coverage for the purchase or renting of a hydraulic patient lift will depend on the actual utilization of services. Secondly, the cost to the state pursuant to the ACA may be underrepresented as it is uncertain if the enrollment information reported reflects the total number of covered lives by exchange plans or the number of individuals who purchased a policy.

Municipal Impact

As previously stated, the bill may increase costs to certain fully insured municipal plans that do not currently provide coverage for the purchase or renting of a hydraulic patient lift. The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2016. In addition, many municipal health plans are recognized as “grandfathered” health plans under the ACA.³ It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, self-insured health plans are exempt from state health mandates.

The State and the federal ACA

Lastly, the ACA requires that, the state’s health exchange’s qualified health plans (QHPs)⁴, include a federally defined essential health benefits package (EHB). The federal government is allowing states to

² The estimated cost is based on a per member per month (PMPM) of \$1.08. The cost estimate for the state employee plan is based on membership as of January 2015; municipal impact is based on Dept. of Labor employment information as of December 31, 2014; state impact based on Exchange enrollment is as of February 2015. Exchange enrollment excludes Medicaid enrollees totaling 382,021.

³ Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

⁴ The state’s health exchange, Access Health CT, opened its marketplace for Connecticut residents to purchase QHPs from carriers, with coverage starting January 1, 2014.

choose a benchmark plan⁵ to serve as the EHB until 2016 when the federal government is anticipated to revisit the EHB.

While states are allowed to mandate benefits in excess of the EHB, the federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the exchange, by reimbursing the carrier or the insured for the excess coverage. State mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB for 2014-2015 unless they are already part of the benchmark plan⁶. However, neither the agency nor the mechanism for the state to pay these costs has been established.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to 1) inflation 2) the number of covered lives in the state, municipal and exchange health plans, and 3) the utilization of services.

Sources: *Department of Labor*
Office of the State Comptroller
Office of the State Comptroller State Health Plan, Health Benefit Document as of July 2013

⁵ The state's benchmark plan is the Connecticare HMO plan with supplemental coverage for pediatric dental and vision care as required by the ACA.

⁶ Source: Dept. of Health and Human Services. *Frequently Asked Questions on Essential Health Benefits Bulletin* (February 21, 2012).

OLR Bill Analysis**SB 175*****AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR PATIENT LIFTS.*****SUMMARY:**

This bill requires certain health insurance policies to provide coverage for buying or renting a patient lift that hydraulically lifts an individual from a bed or a wheelchair. The insured's treating physician must certify in writing that it is medically necessary.

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, or (4) hospital or medical services, including those provided under an HMO plan. Due to the federal Employee Retirement Income Security Act, state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2016

BACKGROUND***Patient Protection and Affordable Care Act***

Under the federal Patient Protection and Affordable Care Act (P.L. 111-148), a state may require health plans sold through the state's health insurance exchange to offer benefits beyond those included in the required "essential health benefits," provided the state defrays the cost of the additional benefits. The requirement applies to benefit mandates a state enacts after December 31, 2011. Thus, the state must pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after that date.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 10 Nay 5 (02/26/2015)