



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

**Testimony of the
Connecticut Insurance Department
Before
The Insurance and Real Estate Committee
March 17, 2015**

Raised Bill No. 1085: An Act Concerning Health Insurance Coverage for Mental or Nervous Conditions.

Chairmen Crisco and Megna, Ranking Members Kelly and Sampson, and Members of the Committee, the Insurance Department appreciates the opportunity to submit written testimony on Raised Bill No. 1085.

The Insurance Department has had the opportunity to discuss S.B. 1085 with The Center for Consumer Information & Insurance Oversight (CCIIO). As you know, CCIIO is charged with helping implement many reforms of the Affordable Care Act. CCIIO indicated that under sections 1 and 2 that (b)(1)(A) and (b)(1)(B) raise parity concerns as there are not similar benefits found in medical/surgical benefit coverage. The concerns surround the required 14 days of treatment as well as the requirement that this treatment be provided without medical necessity review for the duration of those 14 days. Both of these pieces do not have medical surgical equivalents and thus could exceed parity to the point where it creates a lack of parity for medical-surgical treatments.

Section 1311(d)(3)(B) of the Affordable Care Act permits a state to require Qualified Health Plans (to be sold through the Exchange) to offer benefits in addition to the Essential Health Benefits already selected by Connecticut, but it requires the state to defray the cost of these additional benefits.

The Department of Health and Human Services (HHS) issued a final rule on February 25, 2013 that recognizes only those mandated benefits that were enacted on or before December 31, 2011 to be considered part of the Essential Health Benefits. The state would be required to make payment to the enrollee or insurance carrier to defray the cost of any new benefits specific to care, treatment and services which are enacted this session. While The Connecticut Insurance Department appreciates the intent of this bill, it cautions the Insurance and Real Estate Committee that any new state mandated benefits enacted in 2015 can have a fiscal impact to the State of Connecticut., CCIIO has conveyed that reforms found in (b)(1)(A) through (b)(1)(BB) of this bill could be identified as a new mandates for which the State may be liable. While inpatient hospitalization and acute care treatment services are covered by the Benchmark plan, the fourteen day requirements in (b)(1)(A) and (b)(1)(B) would could be a mandate for which the state would be liable, as there is currently no floor for such benefits. Other sections that raise concern include (b)(1)(I) through (b)(1)(N) and (b)(1)(S). Some of these sections are too vague to determine their mandate status while others do not appear to be medically based treatments, but rather are social or educational and are not currently covered by the Benchmark plan, thus making them new

mandates for which the state would need to defray the cost. Not only could the state need to defray the cost of these new mandates, these mandates could have the effect of raising premiums for all Connecticut citizens.

The Connecticut Insurance Department appreciates this opportunity to comment on Raised Bill No 1085.

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.

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