



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee March 15, 2016

Senate Bill No. 435 An Act Concerning Health Carriers' Use of Clinical Pathways and Health Insurance Coverage for Services Rendered by a Chiropractor.

Senator Crisco, Representative Megna, Ranking Members, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on raised **Senate Bill No. 435 An Act Concerning Health Carriers' Use of Clinical Pathways and Health Insurance Coverage for Services Rendered by a Chiropractor**. Generally, this bill requires fully insured group and individual plans to provide coverage for services rendered by a chiropractor using terms and conditions that are no less favorable than when such services are rendered by a physician.

The Essential Health Benefits in Connecticut are based on a benchmark plan chosen by the state. Under the benchmark plan, chiropractic visits are limited to 20 visits per year. Other office visits do not have the same limit. Any limits on benefits contained in the benchmark plan become part of the Essential Health Benefits package for the state. Passing legislation to remove this visit limit would be viewed as a new mandate as it is expanding required services. 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 2016 can have a fiscal impact to the State of Connecticut. Per guidance from Center for Consumer Information and Insurance Oversight (CCIIO), the primary federal office within Health and Human Services ("HHS") overseeing implementation of the Affordable Care Act, a mandate for which the state would need to defray the cost is any legislation that requires specific care, treatment or services beyond those required prior to December 31, 2011. Subsection (b) under both section 1 and section 2 of this legislation would be considered a mandate for which the state would need to defray the cost.

The Department thanks the Insurance and Real Estate Committee Chairs and members for the opportunity to submit testimony on S.B. 435.

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. For every dollar of direct expense, the Department brings in about \$7.45 to the state in revenues. Each year, the Department returns more than \$215 million in assessments, fees and penalties to the state's General Fund.