



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee February 7, 2017

Senate Bill No. 543 An Act Concerning Insurance Coverage for Inpatient Substance Abuse Treatment Programs.

House Bill No. 5441 An Act Requiring Health Insurance Coverage for Long-Term Addiction Treatment.

Committee Chairs, Co-Chairs, Ranking Member, and Members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on **Senate Bill No. 543 An Act Concerning Insurance Coverage for Inpatient Substance Abuse Treatment Programs and House Bill No. 5441 An Act Requiring Health Insurance Coverage for Long-Term Addiction Treatment.** Generally, S.B. 543 and H.B. 5441 would require health insurers to cover inpatient substance abuse treatment programs for 14 days, and provide coverage for long-term addiction treatment.

The Department opposes these bills because neither of these proposals have medical surgical equivalents and that creates a reverse parity issue under the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

Guidance from the federal Center for Consumer Information & Insurance Oversight (CCIIO) from the federal indicates that requiring 14 days of inpatient treatment for mental health conditions 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 possibility of requirement that this treatment be provided without medical necessity review for the duration of those 14 days. As a result, these provisions could exceed parity to the point where it creates a lack of parity for medical-surgical treatments. The same concerns apply to health insurance coverage for long term addiction treatment. If this proposal is requiring a day limit on treatment, it would fall under the same category.

The Department is not disputing the merits of the treatment, but is concerned that if enacted, this aspect of coverage in Connecticut would non-compliant with federal law – both the MHPAEA and the Affordable Care Act, which includes mental health parity provisions.

The Department also cautions the Committee that implementing any required coverage that could be viewed by CCIIO as a new mandate would make the state financially liable for additional costs. While inpatient hospitalization and acute care treatment services are covered by the Benchmark plan, any requirement on minimum number of days would be a mandate for which the state would be liable because there is currently no floor for such benefits. Also, treatment under H.B. 5441 appears to be social, custodial, or educational in nature and are not currently covered by the Benchmark plan, therefore there are concerns they would be new mandates for which the state would be financially liable.

The Department thanks the members of the Insurance and Real Estate Committee for the opportunity to submit testimony on S.B. 543 and H.B. 5441.

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.