



General Assembly

Corrected Copy
Governor's Bill No. 7042

January Session, 2017

LCO No. 3702



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:

REP. ARESIMOWICZ, 30th Dist.

REP. RITTER M., 1st Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

AN ACT CONTROLLING CONSUMER HEALTH CARE COSTS.

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

1 Section 1. Section 38a-21 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2017*):

3 (a) As used in this section:

4 (1) "Commissioner" means the Insurance Commissioner.

5 (2) "Mandated health benefit" means [an existing statutory
6 obligation of, or] proposed legislation that would require, an insurer,
7 health care center, hospital service corporation, medical service
8 corporation, fraternal benefit society or other entity that offers
9 individual or group health insurance or a medical or health care
10 benefits plan in this state to [: (A) Permit an insured or enrollee to

11 obtain health care treatment or services from a particular type of health
12 care provider; (B) offer or provide coverage for the screening,
13 diagnosis or treatment of a particular disease or condition; or (C)] offer
14 or provide coverage for a particular type of health care treatment or
15 service, or for medical equipment, medical supplies or drugs used in
16 connection with a health care treatment or service. ["Mandated health
17 benefit" includes any proposed legislation to expand or repeal an
18 existing statutory obligation relating to health insurance coverage or
19 medical benefits.]

20 (b) (1) There is established within the Insurance Department a
21 health benefit review program for the review and evaluation of any
22 mandated health benefit that is requested by the joint standing
23 committee of the General Assembly having cognizance of matters
24 relating to insurance. Such program shall be funded by the Insurance
25 Fund established under section 38a-52a. The commissioner shall be
26 authorized to make assessments in a manner consistent with the
27 provisions of chapter 698 for the costs of carrying out the requirements
28 of this section. Such assessments shall be in addition to any other taxes,
29 fees and moneys otherwise payable to the state. The commissioner
30 shall deposit all payments made under this section with the State
31 Treasurer. The moneys deposited shall be credited to the Insurance
32 Fund and shall be accounted for as expenses recovered from insurance
33 companies. Such moneys shall be expended by the commissioner to
34 carry out the provisions of this section and section 2 of public act 09-
35 179.

36 (2) The commissioner [shall] may contract with The University of
37 Connecticut Center for Public Health and Health Policy or an actuarial
38 accounting firm to conduct any mandated health benefit review
39 requested pursuant to subsection (c) of this section. [The director of
40 said center may engage the services of an actuary, quality
41 improvement clearinghouse, health policy research organization or
42 any other independent expert, and may engage or consult with any
43 dean, faculty or other personnel said director deems appropriate

44 within The University of Connecticut schools and colleges, including,
45 but not limited to, The University of Connecticut (A) School of
46 Business, (B) School of Dental Medicine, (C) School of Law, (D) School
47 of Medicine, and (E) School of Pharmacy.

48 (c) Not later than August first of each year, the joint standing
49 committee of the General Assembly having cognizance of matters
50 relating to insurance shall submit to the commissioner a list of any
51 mandated health benefits for which said committee is requesting a
52 review. Not later than January first of the succeeding year, the
53 commissioner shall submit a report, in accordance with section 11-4a,
54 of the findings of such review and the information set forth in
55 subsection (d) of this section.

56 (d) The review report shall include at least the following, to the
57 extent information is available:

58 (1) The social impact of mandating the benefit, including:]

59 (c) During a regular session of the General Assembly, the joint
60 standing committee of the General Assembly having cognizance of
61 matters relating to insurance may, upon a majority vote of its
62 members, require the commissioner to conduct one review of not more
63 than five mandated health benefits. The committee shall submit to the
64 commissioner a list of the mandated health benefits to be reviewed.

65 (d) Not later than January first of the first calendar year following a
66 request for review made under subsection (c) of this section, the
67 commissioner shall submit a mandated health benefit review report, in
68 accordance with section 11-4a, to the joint standing committees of the
69 General Assembly having cognizance of matters relating to insurance
70 and public health. Such report shall include an evaluation of the
71 quality and cost impacts of mandating the benefit, including:

72 [(A)] (1) The extent to which the treatment, service or equipment,
73 supplies or drugs, as applicable, is utilized by a significant portion of

74 the population;

75 [(B)] (2) The extent to which the treatment, service or equipment,
76 supplies or drugs, as applicable, is currently available to the
77 population, including, but not limited to, coverage under Medicare, or
78 through public programs administered by charities, public schools, the
79 Department of Public Health, municipal health departments or health
80 districts or the Department of Social Services;

81 [(C)] (3) The extent to which insurance coverage is already available
82 for the treatment, service or equipment, supplies or drugs, as
83 applicable;

84 [(D)] If the coverage is not generally available, the extent to which
85 such lack of coverage results in persons being unable to obtain
86 necessary health care treatment;

87 [(E)] If the coverage is not generally available, the extent to which
88 such lack of coverage results in unreasonable financial hardships on
89 those persons needing treatment;

90 [(F)] The level of public demand and the level of demand from
91 providers for the treatment, service or equipment, supplies or drugs,
92 as applicable;

93 [(G)] The level of public demand and the level of demand from
94 providers for insurance coverage for the treatment, service or
95 equipment, supplies or drugs, as applicable;

96 [(H)] The likelihood of achieving the objectives of meeting a
97 consumer need as evidenced by the experience of other states;

98 [(I)] The relevant findings of state agencies or other appropriate
99 public organizations relating to the social impact of the mandated
100 health benefit;

101 [(J)] The alternatives to meeting the identified need, including, but

102 not limited to, other treatments, methods or procedures;

103 (K) Whether the benefit is a medical or a broader social need and
104 whether it is consistent with the role of health insurance and the
105 concept of managed care;

106 (L) The potential social implications of the coverage with respect to
107 the direct or specific creation of a comparable mandated benefit for
108 similar diseases, illnesses or conditions;

109 (M) The impact of the benefit on the availability of other benefits
110 currently offered;

111 (N) The impact of the benefit as it relates to employers shifting to
112 self-insured plans and the extent to which the benefit is currently being
113 offered by employers with self-insured plans;]

114 [(O)] (4) The impact of making the benefit applicable to the state
115 employee health insurance or health benefits plan; [and]

116 [(P)] (5) The extent to which credible scientific evidence published in
117 peer-reviewed medical literature generally recognized by the relevant
118 medical community determines the treatment, service or equipment,
119 supplies or drugs, as applicable, to be safe and effective; [and]

120 [(2) The financial impact of mandating the benefit, including:]

121 [(F)] (6) The extent to which the mandated health benefit may
122 increase or decrease the cost of the treatment, service or equipment,
123 supplies or drugs, as applicable, over the next five years;

124 [(G)] (7) The extent to which the mandated health benefit may
125 increase the appropriate or inappropriate use of the treatment, service
126 or equipment, supplies or drugs, as applicable, over the next five
127 years;

128 [(H)] (8) The extent to which the mandated health benefit may serve

129 as an alternative for more expensive or less expensive treatment,
130 service or equipment, supplies or drugs, as applicable;

131 [(I)] (9) The methods that will be implemented to manage the
132 utilization and costs of the mandated health benefit;

133 [(J)] (10) The extent to which insurance coverage for the treatment,
134 service or equipment, supplies or drugs, as applicable, may be
135 reasonably expected to increase or decrease the insurance premiums
136 and administrative expenses for policyholders;

137 [(K)] (11) The extent to which the treatment, service or equipment,
138 supplies or drugs, as applicable, is more or less expensive than an
139 existing treatment, service or equipment, supplies or drugs, as
140 applicable, that is determined to be equally safe and effective by
141 credible scientific evidence published in peer-reviewed medical
142 literature generally recognized by the relevant medical community;

143 [(L)] (12) The impact of insurance coverage for the treatment, service
144 or equipment, supplies or drugs, as applicable, on the total cost of
145 health care, including potential benefits or savings to insurers and
146 employers resulting from prevention or early detection of disease or
147 illness related to such coverage;

148 [(M)] (13) The impact of the mandated health care benefit on the cost
149 of health care for small employers, as defined in section 38a-564, and
150 for employers other than small employers; and

151 [(N)] (14) The impact of the mandated health benefit on cost-shifting
152 between private and public payors of health care coverage and on the
153 overall cost of the health care delivery system in the state.

154 (e) The joint standing committees of the General Assembly having
155 cognizance of matters relating to insurance and public health shall
156 conduct a joint informational hearing following their receipt of a
157 mandated health benefit review report submitted by the commissioner

158 pursuant to subsection (d) of this section. The commissioner shall
159 attend and be available for questions from the members of the
160 committees at such hearing. On and after February 1, 2018, the General
161 Assembly shall not enact legislation to establish mandated health
162 benefit unless such benefit has been the subject of a report and an
163 informational hearing as provided in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2017	38a-21

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]