



General Assembly

**Amendment**

January Session, 2021

LCO No. 9943



Offered by:

REP. WOOD, 29<sup>th</sup> Dist.

REP. PAVALOCK-D'AMATO, 77<sup>th</sup> Dist.

To: House Bill No. 5013

File No. 328

Cal. No. 244

**"AN ACT CONCERNING MANDATED HEALTH INSURANCE  
BENEFIT REVIEW."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 38a-21 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2021*):

5 (a) As used in this section:

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

7 (2) "Exchange" has the same meaning as provided in section 38a-1080.

8 (3) "Health carrier" has the same meaning as provided in section 38a-  
9 1080.

10 ~~[(2)]~~ (4) "Mandated health benefit" means [an existing statutory  
11 obligation of, or] proposed legislation that would require [,] an insurer,

12 health care center, hospital service corporation, medical service  
13 corporation, fraternal benefit society or other entity that offers  
14 individual or group health insurance or a medical or health care benefits  
15 plan in this state, or a health carrier that offers a qualified health plan  
16 through the exchange, to [:(A) Permit an insured or enrollee to obtain  
17 health care treatment or services from a particular type of health care  
18 provider; (B) offer or provide coverage for the screening, diagnosis or  
19 treatment of a particular disease or condition; or (C)] offer or provide  
20 coverage for a particular type of health care treatment or service, or for  
21 medical equipment, medical supplies or drugs used in connection with  
22 a health care treatment or service. ["Mandated health benefit" includes  
23 any proposed legislation to expand or repeal an existing statutory  
24 obligation relating to health insurance coverage or medical benefits.]

25 (5) "Qualified health plan" has the same meaning as provided in  
26 section 38a-1080.

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

42 (2) The commissioner [shall] may contract with The University of  
43 Connecticut Center for Public Health and Health Policy or an actuarial  
44 accounting firm to conduct any mandated health benefit review

45 requested pursuant to subsection (c) of this section. The director of said  
46 center may engage the services of an actuary, quality improvement  
47 clearinghouse, health policy research organization or any other  
48 independent expert, and may engage or consult with any dean, faculty  
49 or other personnel said director deems appropriate within The  
50 University of Connecticut schools and colleges, including, but not  
51 limited to, The University of Connecticut (A) School of Business, (B)  
52 School of Dental Medicine, (C) School of Law, (D) School of Medicine,  
53 and (E) School of Pharmacy.

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

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

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

65 (c) During a regular session of the General Assembly, the joint  
66 standing committee of the General Assembly having cognizance of  
67 matters relating to insurance may, upon a majority vote of its members,  
68 require the commissioner to conduct one review of not more than five  
69 mandated health benefits. The committee shall submit to the  
70 commissioner a list of the mandated health benefits to be reviewed.

71 (d) Not later than January first of the first calendar year following a  
72 request for review made under subsection (c) of this section, the  
73 commissioner shall submit a mandated health benefit review report, in  
74 accordance with section 11-4a, to the joint standing committee of the  
75 General Assembly having cognizance of matters relating to insurance.  
76 Such report shall include an evaluation of the quality and cost impacts

77 of mandating the benefit, including:

78 [(A)] (1) The extent to which the treatment, service or equipment,  
79 supplies or drugs, as applicable, is utilized by a significant portion of  
80 the population;

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

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

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

92 (E) If the coverage is not generally available, the extent to which such  
93 lack of coverage results in unreasonable financial hardships on those  
94 persons needing treatment;

95 (F) The level of public demand and the level of demand from  
96 providers for the treatment, service or equipment, supplies or drugs, as  
97 applicable;

98 (G) The level of public demand and the level of demand from  
99 providers for insurance coverage for the treatment, service or  
100 equipment, supplies or drugs, as applicable;

101 (H) The likelihood of achieving the objectives of meeting a consumer  
102 need as evidenced by the experience of other states;

103 (I) The relevant findings of state agencies or other appropriate public  
104 organizations relating to the social impact of the mandated health  
105 benefit;

106 (J) The alternatives to meeting the identified need, including, but not  
107 limited to, other treatments, methods or procedures;

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

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

114 (M) The impact of the benefit on the availability of other benefits  
115 currently offered;

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

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

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

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

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

129 [(B)] (7) The extent to which the mandated health benefit may  
130 increase the appropriate or inappropriate use of the treatment, service  
131 or equipment, supplies or drugs, as applicable, over the next five years;

132 [(C)] (8) The extent to which the mandated health benefit may serve  
133 as an alternative for more expensive or less expensive treatment, service

134 or equipment, supplies or drugs, as applicable;

135 [(D)] (9) The methods that will be implemented to manage the  
136 utilization and costs of the mandated health benefit;

137 [(E)] (10) The extent to which insurance coverage for the treatment,  
138 service or equipment, supplies or drugs, as applicable, may be  
139 reasonably expected to increase or decrease the insurance premiums  
140 and administrative expenses for policyholders;

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

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

152 [(H)] (13) The impact of the mandated health care benefit on the cost  
153 of health care for small employers, as defined in section 38a-564, and for  
154 employers other than small employers; [and]

155 [(I)] (14) The impact of the mandated health benefit on cost-shifting  
156 between private and public payors of health care coverage and on the  
157 overall cost of the health care delivery system in the state; [.] and

158 (15) The impact of the mandated health benefit on the cost of qualified  
159 health plans offered through the exchange.

160 (e) The joint standing committee of the General Assembly having  
161 cognizance of matters relating to insurance shall conduct an  
162 informational hearing following the committee's receipt of a mandated  
163 health benefit review report submitted by the commissioner pursuant

164 to subsection (d) of this section. The commissioner shall attend and be  
 165 available for questions from the members of the committee at such  
 166 hearing.

167 Sec. 2. (NEW) (*Effective January 1, 2022*) (a) For the purposes of this  
 168 section:

169 (1) "Health carrier" has the same meaning as provided in section 38a-  
 170 1080 of the general statutes; and

171 (2) "Third-party administrator" has the same meaning as provided in  
 172 section 38a-720 of the general statutes.

173 (b) Each health carrier or third-party administrator that issues a card  
 174 to an individual in this state for the purpose of enabling such individual  
 175 to prove that such individual has health coverage shall include in such  
 176 card a statement disclosing whether such coverage is fully-insured or  
 177 self-insured. Such statement shall be prominently displayed on such  
 178 card in a readily understandable, standardized form prescribed by the  
 179 commissioner.

180 (c) The commissioner may adopt regulations, in accordance with the  
 181 provisions of chapter 54 of the general statutes, to implement the  
 182 provisions of this section.

183 Sec. 3. (NEW) (*Effective October 1, 2021*) Notwithstanding any  
 184 provision of the general statutes, the executive director of the Office of  
 185 Health Strategy, Insurance Commissioner and Comptroller, or their  
 186 respective designees, shall testify at any public hearing held by the joint  
 187 standing committee of the General Assembly having cognizance of  
 188 matters relating to insurance on any proposed legislation that would  
 189 amend any provision of title 38a of the general statutes."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	38a-21
Sec. 2	<i>January 1, 2022</i>	New section

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Sec. 3	<i>October 1, 2021</i>	New section
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