



General Assembly

February Session, 2020

**Raised Bill No. 5364**

LCO No. 1997



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

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

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 Section 38a-21 of the general statutes is repealed and the  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, 2020*):

3 (a) As used in this section:

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

5 (2) "Mandated health benefit" means [an existing statutory obligation  
6 of, or] proposed legislation that would require [,] an insurer, health care  
7 center, hospital service corporation, medical service corporation,  
8 fraternal benefit society or other entity that offers individual or group  
9 health insurance or a medical or health care benefits plan in this state to  
10 [; (A) Permit an insured or enrollee to obtain health care treatment or  
11 services from a particular type of health care provider; (B) offer or  
12 provide coverage for the screening, diagnosis or treatment of a  
13 particular disease or condition; or (C)] offer or provide coverage for a  
14 particular type of health care treatment or service, or for medical

15 equipment, medical supplies or drugs used in connection with a health  
16 care treatment or service. ["Mandated health benefit" includes any  
17 proposed legislation to expand or repeal an existing statutory obligation  
18 relating to health insurance coverage or medical benefits.]

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

34 (2) The commissioner [shall] may contract with The University of  
35 Connecticut Center for Public Health and Health Policy or an actuarial  
36 accounting firm to conduct any mandated health benefit review  
37 requested pursuant to subsection (c) of this section. The director of said  
38 center may engage the services of an actuary, quality improvement  
39 clearinghouse, health policy research organization or any other  
40 independent expert, and may engage or consult with any dean, faculty  
41 or other personnel said director deems appropriate within The  
42 University of Connecticut schools and colleges, including, but not  
43 limited to, The University of Connecticut (A) School of Business, (B)  
44 School of Dental Medicine, (C) School of Law, (D) School of Medicine,  
45 and (E) School of Pharmacy.

46 [(c) Not later than August first of each year, the joint standing  
47 committee of the General Assembly having cognizance of matters

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

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

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

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

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

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

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

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

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

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

87        (F) The level of public demand and the level of demand from  
88 providers for the treatment, service or equipment, supplies or drugs, as  
89 applicable;

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

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

95        (I) The relevant findings of state agencies or other appropriate public  
96 organizations relating to the social impact of the mandated health  
97 benefit;

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

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

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

106        (M) The impact of the benefit on the availability of other benefits

107 currently offered;

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

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

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

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

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

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

124 [(C)] (8) The extent to which the mandated health benefit may serve  
125 as an alternative for more expensive or less expensive treatment, service  
126 or equipment, supplies or drugs, as applicable;

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

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

133 [(F)] (11) The extent to which the treatment, service or equipment,  
134 supplies or drugs, as applicable, is more or less expensive than an

135 existing treatment, service or equipment, supplies or drugs, as  
136 applicable, that is determined to be equally safe and effective by credible  
137 scientific evidence published in peer-reviewed medical literature  
138 generally recognized by the relevant medical community;

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

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

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

150 (e) The joint standing committees of the General Assembly having  
151 cognizance of matters relating to insurance and public health shall  
152 conduct a joint informational hearing following their receipt of a  
153 mandated health benefit review report submitted by the commissioner  
154 pursuant to subsection (d) of this section. The commissioner shall attend  
155 and be available for questions from the members of the committees at  
156 such hearing. On and after January 1, 2021, the General Assembly shall  
157 not enact legislation to establish a mandated health benefit unless (1)  
158 such benefit has been the subject of a report and an informational  
159 hearing as provided in this section, or (2) upon a two-thirds vote of the  
160 members of the joint standing committee of the General Assembly  
161 having cognizance of matters relating to insurance.

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|---|--------------|--------|
| This act shall take effect as follows and shall amend the following sections: |              |        |
| Section 1   | July 1, 2020 | 38a-21 |

***Statement of Purpose:***

To alter the manner in which the General Assembly enacts new mandated health insurance benefits.

*[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.]*