

Bill as Introduced

HB 1252 - AS INTRODUCED

2010 SESSION

10-2245
06/10

HOUSE BILL **1252**

AN ACT relative to the duration of medical payments coverage under motor vehicle liability policies.

SPONSORS: Rep. Nixon, Hills 17; Rep. Craig, Hills 9; Rep. McEachern, Rock 16

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill increases the duration of medical payments coverage under motor vehicle liability policies.

Explanation: Matter added to current law appears in **bold italics**.
 Matter removed from current law appears [~~in brackets and struckthrough~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT relative to the duration of medical payments coverage under motor vehicle liability policies.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Medical Payments. Amend RSA 264:16, I to read as follows:

2 I. Any motor vehicle liability policy, as defined in RSA 259:61, covering a private passenger
3 automobile and issued with respect to any motor vehicle registered or principally garaged in this
4 state, shall provide medical payments coverage therein or supplemental thereto in an amount equal
5 to or greater than \$1,000 per person for medical costs incurred as a result of injuries sustained in an
6 accident involving the insured vehicle by the driver and passengers in said vehicle. Such coverage
7 shall apply only to medical costs incurred during [~~one-year~~] **3 years** following the date the injuries
8 are sustained.

9 2 Effective Date. This act shall take effect 60 days after its passage.

CHAPTER 296
HB 1252 - FINAL VERSION

05/05/10 1767s

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6 accident involving the insured vehicle by the driver and passengers in said vehicle. Such coverage
7 shall apply only to medical costs incurred during [~~one year~~] *3 years* following the date the injuries
8 are sustained.
9 296:2 Effective Date. This act shall take effect January 1, 2011.
10 Approved: July 13, 2010
11 Effective Date: January 1, 2011

Amendments

Commerce, Labor and Consumer Protection
April 29, 2010
2010-1767s
06/09

Amendment to HB 1252

- 1 Amend the bill by replacing section 2 with the following:
- 2
- 3 2 Effective Date. This act shall take effect January 1, 2011.

Committee Minutes

AMENDED
SENATE CALENDAR NOTICE
COMMERCE, LABOR AND CONSUMER PROTECTION

Printed: 04/09/2010 at 11:15 am

- ✓ Senator Margaret Hassan Chairman
- ✓ Senator Betsi DeVries V Chairman
- ✓ Senator Deborah Reynolds
- ✓ Senator Jacalyn Cilley
- ✓ Senator Peter Bragdon
- ✓ Senator Sheila Roberge

For Use by Senate Clerk's Office ONLY	
<input type="checkbox"/>	Bill Status
<input type="checkbox"/>	Docket
<input type="checkbox"/>	Calendar
Proof: <input type="checkbox"/>	Calendar <input type="checkbox"/> Bill Status

Date: April 9, 2010

HEARINGS

Thursday

4/29/2010

COMMERCE, LABOR AND CONSUMER PROTECTION

SH 103

12:30 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

Comments: Please note the change in hearing times for HB 1417, HB 1459, HB 1254 and HB 1252. HB 1393 has been rescheduled for 5/4/10.

- | | | |
|-----------|--------|---|
| 12:30 PM | HB1417 | allowing companion dogs in certain areas of restaurants. |
| 12:45 PM | HB1459 | relative to the board of trust company incorporation. |
| 1:00 PM | HB1254 | relative to insurance coverage in tort cases. |
| ✓ 1:15 PM | HB1252 | relative to the duration of medical payments coverage under motor vehicle liability policies. |

Sponsors:

HB1254

Rep. David Nixon

Rep. Paul McEachern

Rep. Robert Rowe

Rep. James Craig

HB1252

Rep. David Nixon

Rep. James Craig

Rep. Paul McEachern

HB1417

Rep. Edward Butler

Rep. David Bettencourt

HB1459

Rep. Edward Butler

START: 2:05 PM

END: 2:31 PM

Danielle Barker 271-3093

Sen. Margaret Hassan

Chairman

**Commerce, Labor & Consumer Protection Committee
Hearing Report**

To: Members of the Senate
From: Greg Silverman, *Legislative Aide*
Re: Hearing report on **HB1252** - relative to the duration of medical payments coverage under motor vehicle liability policies.
Hearing date: April 29th, 2010

Members of the Committee Present: Senator Hassan, District 23; Senator Reynolds, District 2; Senator Roberge, District 9; Senator Cilley, District 6; Senator DeVries, District 18.

Members of the Committee Absent: Senator Bragdon, District 11.

Sponsors: Rep. Nixon, Hills 17; Rep. Craig, Hills 9; Rep. McEachern, Rock 16.

What the bill does: This bill increases the duration of medical payments coverage under motor vehicle liability policies.

Who supports this bill: Deb Stone, Insurance Dept.; John Kennison, NH Assn. for Justice; Rep. Dave Nixon, Hills 17.

Who opposes this bill: Larry Alan, Nationwide.

Summary of testimony received:

Rep. Dave Nixon, Hills 17.

- Prime Sponsor.
- Every automobile insurance policy includes medical payments coverage.
- This bill extends duration of medical payments from 1 year to 3 years.
 - Many times patients need 3 years to fully investigate, diagnose, and treat injuries.

Deb Stone, Insurance Dept.

- Supports HB1252.
- 50-75 percent of insurance companies in NH offer the 3 year provision.
- Potential problem is "60 days after passage"
 - Systems changes for companies will take time. Recommended effective date is 1/1/11.
 - **Included in the committee amendment.**

Larry Allen, Nationwide Insurance.

- Opposes 1252.
- 1 year is an adequate timeline because all medical services and charges happen quickly.

John Kennison, NH Assn for Justice.

- Supports HB1252.
- 3 years is reflective of the time it takes to get medical treatment and return to normal health.
 - Ex: If physical therapy doesn't work, the doctor might recommend an MRI, then alternative treatment or surgery.

Action: Senator Reynolds moved the bill ought to pass. Senator DeVries seconded the motion. Senator DeVries moved the amendment ought to pass. Senator Reynolds seconded the motion. The committee voted 5-0 in favor. Senator Reynolds moved the bill as amended ought to pass. Senator DeVries seconded the motion. The committee voted 5-0 in favor. Senator DeVries will take the bill to the floor.

RP

Date: April 29, 2010
Time: 2:05 P.M.
Room: SH 103

The Senate Committee on Commerce, Labor and Consumer Protection held a hearing on the following:

HB1252 relative to the duration of medical payments coverage under motor vehicle liability policies.

Members of Committee present: Senator Hassan
Senator DeVries
Senator Reynolds
Senator Cilley
Senator Roberge

The Chair, Senator Margaret Wood Hassan, opened the hearing on HB1252 and invited the prime sponsor, Representative David Nixon, to introduce the legislation.

Representative David Nixon: Thank you very much, Madam Chair, and members of the Committee. I appreciate your patience with me.

The purpose of medical payments. Medical payments coverage is in each and every automobile policy that passenger consumers in New Hampshire purchase. By the way, you should look at your policies when you go home tonight, and if you don't have at least 250 per person liability on uninsured motorist and 10,000 med pay, please get it. Plus, a \$1,000,000 umbrella policy covering liability and uninsured motorist. And you can probably make up the difference in the premium by increasing deductibles on your jump coverage, which is the collision damage and vandalism, and so forth.

Anyhow, medical payments coverage...

Senator Jacalyn L. Cilley, D. 6: So, Mr. Nixon, you getting into the insurance business?

Representative Nixon: No chance.

RP

Senator Betsi DeVries, D. 18: We have a licensing provision for you to look at.

Senator Margaret Wood Hassan, D. 23: Okay, we are staying focused for just a minute here.

Representative Nixon: The scary thing is, you know, most people don't have any idea what they have for automobile coverage until after they're in an accident, their back is broken. And, I've actually had a couple of situations where I gave the advice I just gave you for nothing, and after one accident the guy went out and bought it and then had another one, and he was covered the second time.

But, medical payments coverage is supposed to provide for the payment of your medical and hospital bills regardless of fault in any automobile collision or in the case of falling down or tripping over some defect on somebody's property.

It used to be in New Hampshire, that the minimum coverage was 5,000, by law, and for three year's duration. And, the fact of the matter is that, if they have any kind of serious injury, it takes about three years to really recover from it, and you would need a minimum of \$5,000 for your immediate expenses.

All this bill would do, and I'm talking about House Bill 1252 finally, is to extend the duration of the required medical payments coverage from one year, as it now exists, to three years.

I have attempted in the past to increase the coverage minimum from 1,000 to 5,000, but the insurance fellows were able to beat that one down pretty quickly. This particular bill, my recollection of the hearing was actually going to be opposed, and maybe still will be opposed. But, the Insurance Department, as I recall David Withers' testimony, indicated that they really had no objection to it because this is what most of the insurance companies do now anyhow is provide coverage for three years. But, the fact is some still don't, and there are some companies that are bare bones companies out there that are represented by some of the fine gentleman behind me that only provide one year's coverage and a maximum of \$1,000 med pay which, for practical purposes, is nothing; no good.

That's all I have to say, and thank you for your courtesy. By the way, if I had known my amendment was going to be so agreeable to everybody behind me, I would have probably withdrawn it.

Senator Margaret Wood Hassan, D. 23: Senator DeVries has a question.

Senator Betsi DeVries, D. 18: Thank you. And, Representative Nixon, you indicated that the law used to be 5,000 for three years. Can you tell us when that might have changed?

Representative Nixon: When it was the law?

Senator Betsi DeVries, D. 18: I thought that's what I heard. That you said that it used to be a law.

Representative Nixon: Yes, it was a law until I think it was 1986 that the industry got it changed from 5,000 to 1,000. And, their argument, at least one gentleman in the House Committee on Commerce and Consumer Affairs said that he had a lot of complaints from people who had to buy insurance that it was too expensive because it was 5,000 instead of 1,000. And, the fact of the matter is, as I am sure you are aware, that most people don't even know what they have for coverage. They go to their friendly agent and they say I want full coverage, and most of the time that is 100,000 per person, 300,000 per accident, and if you are lucky, 5,000 med pay but more and more it is 1,000 med pay for one year. It is not nearly enough coverage.

Senator Betsi DeVries, D. 18: Thank you.

Senator Margaret Wood Hassan, D. 23: Senator Cilley.

Senator Jacalyn L. Cilley, D. 6: Thank you, Madam Chair. If I'd only known I'd be seeing another med pay bill. This is a very simple bill, so I almost hesitate to ask, but I'm going to ask it anyway. After the bill that I sponsored, which you may know, went down in the House because the argument is that that money should be used for anything: mental health day, vacation, going to the movies for a few days to get over one's accident. Why wouldn't we change this anyway to something beyond, if it's not going to be just a medical cost which the Insurance Department says it shouldn't have to be, why do we still have this? Because the time frame wouldn't mean anything if we could just open it up and say they could use this for what they want.

Representative Nixon: I can't tell you how much and how strongly I agree with you. In 1969, again, I filed a bill that would require insurance companies to pay the full med pay and also to pay the full accident health insurance on the theory that both had been paid for. In the case of life insurance you have a policy here and a policy there; if you die, you collect both or your widow does. And, I said why should this be considered to be

RP

double dipping? And, it passed the House on a floor fight and the Insurance Commissioner was John Durkin, he opposed the bill, and then it got killed in the Senate. And, after that, there was regulation issued by the Insurance Department that almost required the same thing, but that has gone by the boards.

Medical payments should be called personal injury protection. That's what it is called in other states, and people should not be restricted in using it for medical bills. The law presently reads that an insured who's involved and injured by the negligence of another has a choice. He/she can elect to apply to their accident health insurance, Blue Cross Blue Shield, and to their med pay, State Farm represented by my friend Jim Hatem, or both. But, they can only collect from one for the same bills, and it is ridiculous because most people use that med pay to live on. They are out of work, they are hurt and so forth, and they need that money to live on. And, what I usually advise clients to do is apply for the accident health insurance first and the health care providers don't like to have that kind of insurance, they like the med pay, it pays in full and it pays quickly to the limit.

Accident health insurance, they have to fill out forms and they get a percentage of what the bill is paid by the accident health insurers, subject to the right to get paid back in the third party claim. So, I tell them all exhaust your accident health insurance and then we will apply for your med pay and hold it to keep people from suing you and sprinkle it among your doctors and hospitals.

Senator Jacalyn L. Cilley, D. 6: Follow up, if I may?

Senator Margaret Wood Hassan, D. 23: Yeah, okay.

Senator Jacalyn L. Cilley, D. 6: That's not quite my question though, but you may have given me the answer that I needed and I'd like that phrase again. But currently, you have to submit medical bills for reimbursement.

Representative Nixon: Correct.

Senator Jacalyn L. Cilley, D. 6: But you are under absolutely no obligation to use that to pay off the bills.

Representative Nixon: That's correct.

Senator Jacalyn L. Cilley, D. 6: So, what did you say it was called?

Senator Betsi DeVries, D. 18: Personal injury protection.

RP

Representative Nixon: Personal injury protection. PIP.

Senator Jacalyn L. Cilley, D. 6: You all said that in unison. Am I the only one...

Representative Nixon: In Massachusetts and other foreign countries, that is what they call it.

The argument that I make is that people should not be restricted to using it for medical expenses. And, for practical purposes, if they have enough accident health insurance; oftentimes they don't, and as the Insurance Department said, they don't have to.

Senator Margaret Wood Hassan, D. 23: Thank you.

Senator Jacalyn L. Cilley, D. 6: Thank you.

Senator Margaret Wood Hassan, D. 23: Are there any other questions? Seeing none, thank you very much.

Representative Nixon: Thank you very much, and I'm sorry to take so much time.

Senator Margaret Wood Hassan, D. 23: Actually, Senator Reynolds has a question.

Senator Deborah R. Reynolds, D. 2: Representative Nixon, before you leave I just have one quick question. And, I know we are a little off topic and I apologize. But, so in some situations, in a cynical way, is the med pay there because it appears to be a benefit but it really isn't? Is that what the idea is?

Representative Nixon: I'm sorry, I'm having a hard...

Senator Deborah R. Reynolds, D. 2: Is the med pay in the policy not fully used as much as it probably could be because people aren't able to access it? Is that your experience?

Representative Nixon: That's part of the problem. As a practical matter what happens, and explained this until I was blue in the face or tried to at the House Commerce and Consumer Affairs Committee, providers, health care providers, would rather have the med pay. So, the first question they ask the person in the emergency room is, if it is an auto accident, what's your auto insurance? Then, they apply directly, and oftentimes illegally get paid

directly by the auto insurance company until the limits are exhausted. And again, the law has been improved in the sense that that's illegal and now the insured has the exclusive right to apply and get it first and they have to pay the insured.

And, yes, oftentimes it is used to pay the bills. I mean you don't stiff the doctors and hospitals, but it also is used to pay living expenses and food, and rent.

Senator Deborah R. Reynolds, D. 2: Thank you.

Senator Margaret Wood Hassan, D. 23: Any other questions? Seeing none, thank you very much for your testimony. Ms. Stone, please.

Representative Nixon: I don't think everybody is going to agree with me on this one.

Deborah Stone: Thank you, Madam Chair, and members of the Committee. For the record, my name is Deb Stone. I'm an actuary from the Insurance Department. Dave Withers has left this morning for a trip out to Des Moines to meet his new grandson. So, he apologizes for not being here, but he sent me in his place.

Just as a little background, and I will try to be quick. Med pay, as we have all discussed quite a bit this session, is actually on auto policies and required by law to be a minimum \$1,000 on an auto policy. It's also available on lots of other kinds of insurance policies any that have a casualty side, a liability side. And, limits generally range from \$1,000 up to probably \$25,000, as a practical matter, as the max. The \$25,000 limit would mostly be on a commercial policy of some kind. Typical limits on a personal auto policy would probably be \$1,000, maybe \$5,000, maybe \$10,000. Those would be what are offered.

Med pay is, as was just noted, basically a sort of poor man's personal injury protection. Some states have no fault auto laws, and in those states they offer PIP. In New Hampshire, we are not a no fault state for auto. So, we offer med pay and it is supposed to be a quick and dirty way to provide some benefit to injured people. The liability portion of an auto policy applies only to third parties, not parties to the policy, only to people who are injured by the insured. But, the med pay can actually be available to the insured and other parties that might not be able to collect against the liability portion of a policy.

I understand Senator Cilley's frustration with her other bill. But, I don't think that the Insurance Department would ever say that people shouldn't have to pay their medical bills with med pay. What we would say is that the way to use med pay is at the discretion of the claimant who gets the med pay coverage. If they submit a bill, a medical bill of some kind, for reimbursement of the med pay benefit, once they get that benefit, those actual dollars in their hand, they may have other medical related expenses that weren't covered somewhere else that they would pay instead of that original bill. That's, I think, what med pay is for. It covers some things that are not covered by health insurance, for example.

But, having said all that, we are actually pretty much fine with this bill with one technical exception and I will bring that up in just a minute. We have done some research and we believe that at least somewhere between 50-75% of insurance companies who offer med pay in this state currently offer the three year med pay window.

Senator Margaret Wood Hassan, D. 23: What was that percentage again?

Ms. Stone: Somewhere between 50-75% at least. It's tough to get an exhaustive survey because there's hundreds of insurance companies. But, we believe that a majority and perhaps a large majority of them already offer it—the three years limit. So, from that point of view we are actually fine with it.

The one thing that we think is a potential problem with the bill is its wording says that it is in effect 60 days after passage. If companies don't already offer the three years, then they're going to have to make system changes to their system and get that information out to their legal and claims people and all of that. So, we would prefer to see an effective date some later time, maybe 1/1/2011, something like that, to get the companies time to respond if this bill passes.

That's all I have to say and I would be happy to answer anything.

Senator Margaret Wood Hassan, D. 23: Thank you. Are there any questions? Senator DeVries.

Senator Betsi DeVries, D. 18: I realize we probably don't want to delve into it any more. But, if we wanted to grasp the phrase that you had in dealing with the med pay and who can utilize that payment and what discretion they had. I think I heard from you that you thought med pay should be payable at the discretion of the policyholder. Was I correct in hearing that?

Ms. Stone: Med pay is currently at the direction of the policyholder. When a med pay benefit is generated, or the claimant, when a med pay benefit is generated, the money goes directly to that individual, not to any other provider, like any health care provider or anywhere else. The check has to be written to the claimant and they decide how to disburse those funds.

Senator Betsi DeVries, D. 18: Follow up, if I might?

Senator Margaret Wood Hassan, D. 23: Yes.

Senator Betsi DeVries, D. 18: So, if we wanted to add clarity to the statute to be sure that there wasn't an inappropriate claim paid against med pay, we could add maybe that language at the end of, well you have the bill as introduced in front of you. When you are looking at it it says, "such coverage shall apply only to medical costs incurred during three years following the date of injuries are sustained and are payable at the discretion and direction of the policyholder."

Ms. Stone: It would have to be the claimant. It is not always the policyholder.

Senator Betsi DeVries, D. 18: The claimant. Okay, never mind. I guess I'm getting a lot of shaking heads behind.

Ms. Stone: Again, while I sympathize with the idea to some extent because we would all like to see benefits that people get to pay medical related expenses actually go to pay medical related expenses. That's not the way med pay is written into the statute now. So, that's adding a whole new wrinkle and we would have to go back and evaluate whether that had any problems associated with it.

Senator Betsi DeVries, D. 18: I understand.

Senator Jacalyn L. Cilley, D. 6: My last question on this topic.

Senator Margaret Wood Hassan, D. 23: I have said this before, Senator Cilley, but a very wise judge told me never to say last question or last point. Okay? Go ahead.

Senator Jacalyn L. Cilley, D. 6: I just would like you to explain to me, Ms. Stone, and I know I've asked this before. If the only thing that triggers the payment is a medical receipt, what sense does that make? The intuitive assumption is that that is going to get paid. So, should we change somehow what triggers the payment?

Ms. Stone: I would argue no, and this is the reason. If there's an injury that generates medical related expenses, the initial going for treatment of some kind is likely to be one of the larger costs associated with that, and that would trigger somebody who was going for that treatment to say, "I'm going to need to submit a claim and try to get this med pay." In the meantime, as they continue with whatever treatments are necessary, they may find that there are other medically related expenses, not necessarily that first visit to the doctor, or the emergency room, or whatever, that they can use the med pay for that they can't use any of their other coverages for.

I could go to the doctor or to the emergency room and end up incurring a \$2,000 bill at the emergency room. I could say, "I'm going to need my med pay." I could file a claim for med pay. Now, I have two choices at that point in time. I could use my med pay, which might be only \$1,000 to pay that portion of that \$2,000 bill. But, in the meantime, I might find out that I chipped a tooth in the accident, that I need to replace my eyeglasses, that I can get health coverage for some of that \$2,000 and I only have a 20% co-pay or deductible, something like that. So, I can take my \$1,000 of med pay to buy new glasses, go to the dentist, pay the co-pay. I still owe the hospital, the emergency room, I still owe them \$1,600, that's the difference between the \$2,000 and the deductible, and I'm still obligated to pay that to them. But, I have used the med pay to cover things that my health insurance can't cover. And so, that would be my argument.

I know there are going to be a few bad apples out there, who I think on the House side we heard they are going to go put a down payment on a boat or go on vacation. There are always going to be people who do things like that. That is not the design of this. But, I think we need to leave it up to the discretion of the people collecting that benefit to use it in the way that seems best to them, and not, even though it was triggered by that initial bill, not to be obligated to pay that initial bill when they have other ways they can use it to their benefit, and that's the way it was designed.

Senator Jacalyn L. Cilley, D. 6: Thank you.

Senator Margaret Wood Hassan, D. 23: Thank you very much.

Mrs. Stone: Thank you very much.

Senator Margaret Wood Hassan, D. 23: Further questions? Seeing none, thank you very much. Larry Alan, please.

Larry Alan: Thank you, Madam Chairman, members of the Committee. Larry Alan for Nationwide Insurance Company.

We do have some concerns about changing one year to three years, and I'm just going to touch on a couple of different aspects of that. The state minimum is \$1,000 for med pay and we find typically, while it is available at the higher amounts people usually get the minimum or something maybe a little larger than that, maybe the \$5,000.

A couple of points have already been made that I would point to as very relevant. Deb just said, you go to the emergency room and it's going to be several thousand dollars right there, and Representative Nixon himself said med pay pays in full and pays quickly. So, I mean, if you are injured in an accident and you are on your way to the hospital in an ambulance you are going to incur all kinds of expenses relative to the emergency room and perhaps further care, and that might be surgery, or that might be physical therapy. But, the point is that all of that happens immediately and very quickly. If you've got a \$1,000, or even a \$5,000, or even potentially a \$10,000 med pay coverage in your policy and you invoke that coverage by filing a claim for it, as Deb described, then that's going to be paid in full and paid rather quickly because those bills are going to mount up very fast.

The cost of health care today is what generates that. Very quick payment by med pay and very complete payment; you are going to run up to your policy limits in any kind of serious injury very, very quickly. So, in the sense that the statute currently says one year, we think that's adequate because you're going to incur those in an injury or an accident, you are going to incur those costs very, very quickly. And, typically if people have purchased either the minimum or a lower limit, or even if they raise it up, say around \$5,000, you are going to burn through that very, very quickly.

The second point I want to make about three years, going out three years. The idea that you might be injured in an auto accident and then seek treatment for it two years later, or three years later, seems incongruous. And, one of our concerns about that is that it would be very hard to confirm that we got a receipt for treatment and the statute requires that it be related to the accident; an injury sustained in the accident. Now we have to do some, you know it might require a medical examination further to explain or to confirm the causality there. The idea that the treatment being sought to be paid for under med pay, as required by the statute, is in fact related to that auto injury that happened two to three years earlier. And then, when you get to that point, you are imposing further costs on handling that claim.

So, one year, which is currently in the statute, makes perfect sense and seems to be very practical under the structure of medical care that we have now and the costs, and how those costs are incurred quickly and completely.

Senator Margaret Wood Hassan, D. 23: Thank you. Are there any questions? Seeing none, thank you very much for your testimony. Mr. Kennison, please.

Attorney Kennison: Thank you, Madam Chairman. Again, John Kennison on behalf of the NHAJ.

I do support this amendment. The NHAJ supports this amendment. I'll try to be brief. And, Senator DeVries, I think that you were hearing, you and Ms. Stone were crossing paths. I think you were hearing discretion and I think she was saying direction. So, I just wanted to make sure that was clear.

Other states do have PIP coverage. This isn't PIP coverage, this is medical payment coverage. It is triggered by the submission of medical bills to the insurance company. And, by way of example, I had a client call me yesterday. A single mother of four children, with no health insurance, with a significant car accident that was not her fault. We are processing her claim right now. She has collected, she has been to physical therapy, she has been to the emergency room. She has submitted these bills to medical payments because she did have the bills and she does owe the bills.

Now, she's got the money from the insurance company, and she said, "I have four kids and I am out of work." She cleans houses for a living, and she makes three or four hundred dollars a week and she's barely making it, and she's been out of work because of this injury and she said, "Can I use this money to buy groceries?" And, I said, "you can, you should pay your medical bills with it, but you can use it to buy groceries. But, you still owe the medical providers, and when I settle your case, I'm going to have to pay your medical providers out of your case." And, she said, "Well, I'm fine with that. Right now, I just need the money."

And so, that's a situation where getting this medical payments benefit paid directly to her by the insurance company, as the statute now directs that it has to be, allows her to stay off of welfare, off the system, pay some bills. And, she still owes the money, and she is going to pay the money because I am going to pay it for her when I settle her case. I think that, and that's really all I want to say about med pay about how it's utilized.

As far as the length of time and increasing it from one year to three years as this amendment proposes, I think that that really just helps make uniform the policies that are out there today that Ms. Stone addressed, that 50-75% of the policies do allow for up to three years. There are a couple that don't, and I just want to make uniform that time frame. But, it's also reflective of the reality of the scope, of the length of time that it takes to get medical treatment, and the length of time that it sometimes takes to get better after an accident. You go into physical therapy and physical therapy sometimes takes a long time, sometimes physical therapy doesn't help and the doctors try to go with conservative treatment first. You go through some physical therapy and if that doesn't help, then you have an MRI, and if that doesn't...and then in the MRI they pick up, oh, well, it really is something much more serious and now we have got to do surgery. You know, they don't rush to do these expensive diagnostic tests right away; they give you the conservative treatment first.

So, sometimes the injury, especially in a serious accident, takes a lot more time than a year before it is even properly diagnosed and fully addressed. So, for those reasons, I would think that increasing this to three years to make it uniform with what most of the insurance companies in the state are doing would be appropriate.

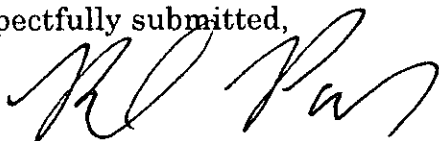
Senator Margaret Wood Hassan, D. 23: Thank you. Are there any questions? Seeing none, thank you very much. Is there anybody else who wanted to testify on 1252?

I am going to note, and Mr. Kennison, you don't need to come back up, but I think at the beginning of your testimony you said you supported the amendment and I think you supported the bill because there is no amendment. Right? So, just so the record won't be confusing.

Okay. So, was there anybody else who wanted to testify on 1252? Seeing no one else, I am going to close the hearing on House Bill 1252.

Hearing closed at 2:31 P.M.

Respectfully submitted,



Richard Parsons
Senate Committee Secretary

8/24/10

Speakers

Voting Sheets

Senate Commerce, Labor & Consumer Protection Committee EXECUTIVE SESSION

Bill # HB 1252

Hearing date: 4/29/10

Executive session date: 4/29/10

Motion of: DTP

VOTE: _____

Made by Hassan
Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Seconded Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Reported Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Motion of: DTP/A

VOTE: 5-0

Made by Hassan
Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Seconded Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Reported Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Hassan, Chairman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator DeVries, Vice-Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Reynolds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Cilley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Bragdon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Roberge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Amendments: _____

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: April 29, 2010

THE COMMITTEE ON Commerce, Labor and Consumer Protection
to which was referred House Bill 1252

AN ACT relative to the duration of medical payments coverage
 under motor vehicle liability policies.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 5-0

AMENDMENT # 1767s

Senator Betsi DeVries
For the Committee

Danielle Barker 271-3093

New Hampshire General Court - Bill Status System

Docket of HB1252

Docket Abbreviations

Bill Title: relative to the duration of medical payments coverage under motor vehicle liability policies.*Official Docket of HB1252:*

Date	Body	Description
12/10/2009	H	Introduced 1/6/2010 and Referred to Commerce and Consumer Affairs; HJ 6 , PG.233
01/22/2010	H	Public Hearing: 2/9/2010 1:30 PM LOB 302
02/02/2010	H	Executive Session: 2/11/2010 10:00 AM LOB 302
02/16/2010	H	Majority Committee Report: Ought to Pass for Mar 10 (Vote 9-7; RC); HC 19 , PG.1025
02/16/2010	H	Minority Committee Report: Inexpedient to Legislate; HC 19 , PG.1025
03/10/2010	H	Special Order to Regular Place on Mar 11 Calendar, Without Objection; HJ 23 , PG.1294
03/11/2010	H	Special Order to Beginning of Mar 17 Calendar, Without Objection; HJ 24 , PG.1349
03/17/2010	H	Ought to Pass: MA DIV 170-152; HJ 26 , PG.1376
03/24/2010	S	Introduced and Referred to Commerce, Labor and Consumer Protection; SJ 11 , Pg.261
04/05/2010	S	Hearing: April 29, 2010, Room 103, State House, 1:30 p.m.; SC15
04/06/2010	S	Hearing: === TIME CHANGE === April 29, 2010, Room 103, State House, 1:15 p.m.; SC16
04/29/2010	S	Committee Report: Ought to Pass with Amendment 1767s, 5/5/10; SC18
05/05/2010	S	Committee Amendment 1767s, AA, VV; SJ 17 , Pg.362
05/05/2010	S	Ought to Pass with Amendment 1767s, MA, VV; OT3rdg; SJ 17 , Pg.362
05/05/2010	S	Passed by Third Reading Resolution; SJ 17 , Pg.398
05/19/2010	H	House Concurs with Senate AM #1767s (Rep Butler): MA VV; HJ 46 , PG.2224
06/02/2010	H	Enrolled; HJ 51 , PG.2322
06/02/2010	S	Enrolled; SJ 21 , Pg.777
07/15/2010	H	Signed by the Governor 07/13/2010; Effective 01/01/2011; Chapter 0296

NH House

NH Senate

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Other Referrals

COMMITTEE REPORT FILE INVENTORY

HB 1252 ORIGINAL REFERRAL

RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE SECRETARY AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

- DOCKET (Submit only the latest docket found in Bill Status)
- COMMITTEE REPORT
- CALENDAR NOTICE on which you have taken attendance
- HEARING REPORT (written summary of hearing testimony)
- HEARING TRANSCRIPT (verbatim transcript of hearing)
List attachments (testimony and submissions which are part of the transcript) by number [1 thru 4 or 1, 2, 3, 4] here: _____
- SIGN-UP SHEET

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- AMENDMENT # 1767s _____ - AMENDMENT # _____
_____ - AMENDMENT # _____ _____ - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

- AS INTRODUCED _____ AS AMENDED BY THE HOUSE
 FINAL VERSION _____ AS AMENDED BY THE SENATE

PREPARED TESTIMONY AND OTHER SUBMISSIONS (Which are not part of the transcript)

List by letter [a thru g or a, b, c, d] here: _____

EXECUTIVE SESSION REPORT

OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK 9/29/10


COMMITTEE SECRETARY