Bill as Introduced

SB 150-FN – AS INTRODUCED

2011 SESSION

11-0458
01/09

SENATE BILL ***150-FN***

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

SPONSORS: Sen. Bradley, Dist 3; Sen. Barnes, Jr., Dist 17; Sen. Boutin, Dist 16; Sen. Carson, Dist 14; Sen. De Blois, Dist 18; Sen. Forsythe, Dist 4; Sen. Gallus, Dist 1; Sen. Groen, Dist 6; Sen. Lambert, Dist 13; Sen. Luther, Dist 12; Sen. Morse, Dist 22; Sen. Odell, Dist 8; Sen. Prescott, Dist 23; Sen. Rausch, Dist 19; Sen. Sanborn, Dist 7; Sen. White, Dist 9

COMMITTEE: Commerce

ANALYSIS

This bill authorizes individuals and certain businesses to purchase health insurance from out-of-state insurance companies. The bill grants rulemaking authority to the insurance commissioner for the purposes of the bill.

- -

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

11-0458
01/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

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

1 1 New Chapter; Health Care Insurance From Out-of-State Insurance Companies. Amend RSA
2 by inserting after chapter 404-H the following new chapter:
3 CHAPTER 404-I
4 HEALTH CARE INSURANCE FROM
5 OUT-OF-STATE INSURANCE COMPANIES
6 404-I:1 Health Care Insurance Purchased From Out-of-State Insurance Companies Authorized;
7 Plan Requirements.
8 I. In this chapter "commissioner" means the insurance commissioner.
9 II. An individual who is a resident of this state or an employer with under 100 employees
10 may purchase health insurance from out-of-state health insurance carriers which are approved by
11 the state where the carrier does business.
12 404-I:2 Rulemaking. The commissioner shall adopt rules, pursuant to RSA 541-A, relative to:
13 I. Form and content of applications for health insurance under this chapter.
14 II. Further definition of employer, if appropriate.
15 III. Procedures for resolution of disputes, including hearing procedures.
16 404-I:3 Applicability. This chapter shall not be construed to require the out-of-state insurers to
17 offer or provide state-mandated health benefits required by New Hampshire law or rules in health
18 insurance policies sold to New Hampshire residents.
19 404-I:4 Resolution of Disputes. Resolution of disputes between the insurer and the insured shall
20 take place in New Hampshire in accordance with rules adopted by the commissioner under RSA 541-
21 A.
22 2 Effective Date. This act shall take effect 60 days after its passage.

LBAO
11-0458
01/24/11

SB 150-FN - FISCAL NOTE

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

FISCAL IMPACT:

The Insurance Department states this bill will decrease state general fund revenues by an indeterminable amount in FY 2012 and in each fiscal year thereafter. The Department further states this bill may increase county and local expenditures by indeterminable amounts in FY 2012 and in each fiscal year thereafter. This bill will have no fiscal impact on state expenditures or county and local revenues.

METHODOLOGY:

The Insurance Department states this bill authorizes individuals and certain employers to purchase health insurance from out-of-state companies not licensed in New Hampshire, but are licensed in other states, to do business in New Hampshire. The Department assumes it will be unable to collect a premium tax from out-of-state health insurance companies on premiums written in New Hampshire as there is no licensing requirement included in this bill. The Department states it is unable to estimate this bill's decrease on state premium tax revenues as it cannot predict the extent of New Hampshire purchasers procuring insurance from out-of-state non-licensed health insurance companies rather than health insurance companies licensed in New Hampshire, which would be subject to the premium tax.

The Insurance Department states there are various assessments levied on insurance carriers that are passed through to New Hampshire policyholders. The Department states this bill proposes to allow individuals to purchase insurance from carriers that would not be included in the assessment base, therefore driving up assessment rates on those licensed insurance companies included in the assessment base. The Department further states as a result, municipalities and counties that procure health insurance may see costs increase by an indeterminable amount.

Amendments

Sen. Sanborn, Dist. 7
Sen. Bradley, Dist. 3
February 8, 2012
2012-0669s
01/04

If this amendment is adopted by the Committee, please deliver to the House Clerk (Room 317) or Senate Clerk (Senate Chamber), the 2 originals and 2 copies.

NO

Floor Amendment to SB 150-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT authorizing individuals and certain businesses to purchase health insurance from
4 out-of-state insurance companies and relative to New Hampshire insurance plan
5 insurance coverage.

6

7 Amend the bill by replacing all after section 1 with the following:

8

9 2 New Section; New Hampshire Affordable Health Plan L. Amend RSA 420-G by inserting after
10 section 4-b the following new section:

11 420-G:4-bb New Hampshire Affordable Health Plan L.

12 I. The purpose of this section is to promote the availability of more affordable health
13 insurance coverage in the individual and small group markets by allowing insurance carriers to
14 offer, on a 3-year pilot basis, an affordable health plan exempt from coverage requirements for
15 specific services, products, or medical conditions currently mandated by New Hampshire law;
16 provided that carrier also offers a plan that meets all statutorily mandated coverage requirements.

17 II. An affordable health plan L benefit plan means an individual or small group health
18 insurance plan that does not contain one or more of the benefits required under RSA 415:6-c, RSA
19 415:6-e, RSA 415:6-j, RSA 415:6-1, RSA 415:6-m, RSA 415:6-n, RSA 415:6-o, RSA 415:6-p, RSA
20 415:18-a, RSA 415:18-d, RSA 415:18-e, RSA 415:18-f, RSA 415:18-g, RSA 415:18-h, RSA 415:18-i,
21 RSA 415:18-l, RSA 415:18-n, RSA 415:18-q, RSA 415:18-r, RSA 415:18-s, RSA 415:18-t, RSA 415:18-
22 u, RSA 417-D:2, RSA 417-D:2-a, RSA 417-D:2-b, RSA 417-E:1, RSA 417-E:2, RSA 420-A:14, RSA
23 420-A:17, RSA 420-A:17-a, RSA 420-A:17-b, RSA 420-A:17-c, RSA 420-A:17-f, RSA 420-A:17-g, RSA
24 420-B:8-b, RSA 420-B:8-ee, RSA 420-B:8-f, RSA 420-B:8-ff, RSA 420-B:8-gg, RSA 420-B:8-k, RSA
25 420-B:8-p, or RSA 420-B:8-r, unless required by federal law.

26 III. A health insurance carrier offering an affordable health plan L shall conform with all
27 applicable requirements of Title XXXVII except those provisions specifically excluded under
28 paragraph II.

29 IV. Any health insurance carrier licensed in New Hampshire may offer an affordable health
30 plan L in the individual or small group market for a plan year beginning on or after January 1, 2013
31 through July 1, 2016, if that carrier also offers at least one product in that market that includes all
32 mandates currently required under New Hampshire law.

1 V. A health insurance carrier offering an affordable health plan L shall provide the following
2 written disclaimer prominently on or accompanying all applications, advertisements, and guideline
3 materials relating to the affordable health plan L:
4 IMPORTANT NOTICE
5 "This is an affordable health plan L. This means that the plan is not required to cover all services,
6 products or medical conditions that must otherwise be covered under New Hampshire law. The
7 following mandated services, products, and medical conditions, which are otherwise required to be
8 covered under New Hampshire law, are excluded under this policy [description of each excluded
9 mandate]. You should review the plan documents carefully to be sure you understand what is
10 covered and whether there are any limitations that may affect your personal medical and financial
11 needs."
12 3 Repeal. RSA 420-G:4-bb, relative to an affordable health plan L, is repealed.
13 4 Effective Date.
14 I. Section 3 of this act shall take effect July 1, 2016.
15 II. The remainder of this act shall take effect July 1, 2012.

2012-0669s

AMENDED ANALYSIS

This bill authorizes individuals and certain businesses to purchase health insurance from out-of-state insurance companies. The bill grants rulemaking authority to the insurance commissioner for the purposes of the bill.

This bill also establishes a 3-year pilot program allowing health insurance carriers licensed in New Hampshire to offer an affordable health plan L if the carrier also offers a product containing the mandates required under New Hampshire law.

Sen. Sanborn, Dist. 7
Sen. Bradley, Dist. 3
February 16, 2012
2012-0861s
01/09

IF this amendment is adopted by the Committee, please deliver to the House Clerk (Room 317) or Senate Clerk (Senate Chamber), the 2 originals and 2 copies.

NO

Amendment to SB 150-FN

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to New Hampshire insurance plan insurance coverage.

4

5 Amend the bill by replacing all after the enacting clause with the following:

6

7 1 Statement of Intent. In an effort to both expand the number of New Hampshire residents with
8 health insurance and working towards facilitating lower cost insurance options, this act seeks to
9 encourage in-state and out-of-state insurance carriers to offer expanded health insurance plans to
10 individual residents and certain employers. The intent of this act is to create and authorize the
11 process by which individuals and certain businesses can purchase health insurance from out-of-state
12 insurance carriers, just as employers with over 50 employees and self-funded entities are currently
13 authorized to do. Equally important is to ensure that out-of-state insurance carriers operating in
14 New Hampshire meet and maintain established regulatory and oversight requirements presently in
15 place for existing insurance carriers, and empower the insurance department to enforce established
16 operating requirements. This act also requires any insurance carrier participating in expanded
17 health insurance plans to maintain and provide at least one insurance plan which fully encompasses
18 all mandates as required under New Hampshire law.
19 2 New Section; New Hampshire Affordable Health Plan L. Amend RSA 420-G by inserting after
20 section 4-b the following new section:
21 420-G:4-bb New Hampshire Affordable Health Plan L.
22 I. The purpose of this section is to promote the availability of more affordable health
23 insurance coverage in the individual and small group markets by allowing insurance carriers to
24 offer, on a 3-year pilot basis, an affordable health plan exempt from coverage requirements for
25 specific services, products, or medical conditions currently mandated by New Hampshire law;
26 provided that carrier also offers a plan that meets all statutorily mandated coverage requirements.
27 II. An affordable health plan L benefit plan means an individual or small group health
28 insurance plan that does not contain one or more of the benefits required under RSA 415:6-c,
29 RSA 415:6-e, RSA 415:6-j, RSA 415:6-1, RSA 415:6-m, RSA 415:6-n, RSA 415:6-o, RSA 415:6-p,
30 RSA 415:18-a, RSA 415:18-d, RSA 415:18-e, RSA 415:18-f, RSA 415:18-g, RSA 415:18-h, RSA 415:18-
31 i, RSA 415:18-l, RSA 415:18-n, RSA 415:18-q, RSA 415:18-r, RSA 415:18-s, RSA 415:18-t,

1 RSA 415:18-u, RSA 417-D:2, RSA 417-D:2-a, RSA 417-D:2-b, RSA 417-E:1, RSA 417-E:2, RSA 420-
2 A:14, RSA 420-A:17, RSA 420-A:17-a, RSA 420-A:17-b, RSA 420-A:17-c, RSA 420-A:17-f, RSA 420-
3 A:17-g, RSA 420-B:8-b, RSA 420-B:8-ee, RSA 420-B:8-f, RSA 420-B:8-ff, RSA 420-B:8-gg, RSA 420-
4 B:8-k, RSA 420-B:8-p, or RSA 420-B:8-r, unless required by federal law.
5 III. A health insurance carrier offering an affordable health plan L shall conform with all
6 applicable requirements of Title XXXVII except those provisions specifically excluded under
7 paragraph II.
8 IV. Any in-state and out-of-state health insurance carrier licensed in New Hampshire may
9 offer an affordable health plan L in the individual or small group market for a plan year beginning
10 on or after January 1, 2013 through July 1, 2016, if that carrier also offers at least one product in
11 that market that includes all mandates currently required under New Hampshire law.
12 V. A health insurance carrier offering an affordable health plan L shall provide the following
13 written disclaimer prominently on or accompanying all applications, advertisements, and guideline
14 materials relating to the affordable health plan L:
15 IMPORTANT NOTICE
16 "This is an affordable health plan L. This means that the plan is not required to cover all services,
17 products or medical conditions that must otherwise be covered under New Hampshire law. The
18 following mandated services, products, and medical conditions, which are otherwise required to be
19 covered under New Hampshire law, are excluded under this policy [description of each excluded
20 mandate]. You should review the plan documents carefully to be sure you understand what is
21 covered and whether there are any limitations that may affect your personal medical and financial
22 needs."
23 3 Repeal. RSA 420-G:4-bb, relative to an affordable health plan L, is repealed.
24 4 Effective Date.
25 I. Section 3 of this act shall take effect July 1, 2016.
26 II. The remainder of this act shall take effect July 1, 2012.

2012-0861s

AMENDED ANALYSIS

This bill establishes a 3-year pilot program allowing in-state and out-of-state health insurance carriers licensed in New Hampshire to offer an affordable health plan L if the carrier also offers a product containing the mandates required under New Hampshire law.

Committee Minutes

Commerce Committee Hearing Report

To: Member of the Senate

From: Patrick Murphy, *Legislative Aide*

Re: Hearing Report on SENATE BILL 150-FN authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

Hearing Date: February 22, 2011

Members of the Committee Present:
Senator Prescott, Senator White, Senator De Blois, Senator Sanborn, Senator Houde

Members of the Committee Absent:
None

Sponsor(s):
Sen. Bradley, Dist 3; Sen. Barnes, Jr., Dist 17; Sen. Boutin, Dist 16; Sen. Carson, Dist 14; Sen. De Blois, Dist 18; Sen. Forsythe, Dist 4; Sen. Gallus, Dist 1; Sen. Groen, Dist 6; Sen. Lambert, Dist 13; Sen. Luther, Dist 12; Sen. Morse, Dist 22; Sen. Odell, Dist 8; Sen. Prescott, Dist 23; Sen. Rausch, Dist 19; Sen. Sanborn, Dist 7; Sen. White, Dist 9

What the bill does:
This bill authorizes individuals and certain businesses to purchase health insurance from out-of-state insurance companies. The bill grants rulemaking authority to the insurance commissioner for the purposes of the bill.

Supporters of the bill:
Sen. Boutin, Dist 16; Sen. Carson, Dist 14; Sen. Rausch, Dist 19; Sen. Luther, Dist 12; Sen. Groen, Dist 6; Sen. Lambert, Dist 13; Sen. Bradley, Dist 3; Sen. Barnes, Jr., Dist 17; Sen. Morse, Dist 22; Sen. Odell, Dist 8; Ellen Kolb, Cornerstone Action; Bruce Berke, NFIB; Valerie Acres, Granite State Home Health Association

Those in opposition to the bill:
Rep. Timothy Horrigan, Straf 7; Edward Dupont, Harvard Pilgrim Health Care; Paula Rogers, Anthem BC/BS; Lisa Kaplan Howe, NH Voices for Health; Peter McNamara, NH Auto Dealers Association; Jeff Dickinson, GSIL; Doug McNutt, AARP;

Speaking to the bill (Neutral):
Leslie Ludtke, NH Insurance Department

Summary of testimony received:

Sen. Bradley, Dist 3

- Asked for this bill to be re-referred. Sponsored a similar bill last year that passed the Senate but was killed in the House. This issue is being worked on at the Federal level. Without change at the federal level it would be difficult for states to move forward on this issue.

Lisa Kaplan Howe, NH Voices for Health

- Because the Committee is running behind schedule we will simply submit testimony for the record.
- We have concerns about the risks inherent in SB 150 for NH families and the state's insurance market.
- It is important to first recognize that NH residents and businesses already can and do purchase coverage from out-of-state insurance companies. A number of the insurers selling coverage to NH consumers and businesses are based outside of NH. What this bill seeks to do is to allow insurance companies that are not licensed in NH to sell coverage to NH residents and businesses.
- Allowing plans that are not licensed by the state to sell coverage to NH families and businesses puts both the individuals covered by those plans at harm's way, and, more broadly, threatens the viability of NH's insurance market.
- The individuals who would be covered by the unlicensed plans would, in many cases unknowingly, be left without the protections ensured by NH insurance law.
- Allowing unlicensed insurance carriers to sell insurance in NH threatens to undermine NH's insurance market. NH law recognizes that insurance coverage is only valuable and affordable if it provides consumers with affordable access to needed health care.
- We urge this committee and the legislature as a whole to be mindful of the potential dangerous consequences of SB 150 and to weigh this legislation carefully.

Funding:

FISCAL IMPACT:
The Insurance Department states this bill will decrease state general fund revenues by an indeterminable amount in FY 2012 and in each fiscal year thereafter. The Department further states this bill may increase county and local expenditures by indeterminable amounts in FY 2012 and in each fiscal year thereafter. This bill will have no fiscal impact on state expenditures or county and local revenues.

METHODOLOGY:
The Insurance Department states this bill authorizes individuals and certain employers to purchase health insurance from out-of-state companies not licensed in New Hampshire, but are licensed in other states, to do business in New Hampshire. The Department assumes it will be unable to collect a premium tax from out-of-state health insurance companies on premiums written in New Hampshire as there is no licensing requirement included in this bill. The Department states it is unable to estimate this bill's decrease on state premium tax revenues as it cannot predict the extent of New Hampshire purchasers procuring insurance from out-of-state non-licensed health insurance companies rather than health insurance companies licensed in New Hampshire, which would be subject to the premium tax.

The Insurance Department states there are various assessments levied on insurance carriers that are passed through to New Hampshire policyholders. The Department states this bill proposes to allow individuals to purchase insurance from carriers that would not be included in the assessment base, therefore driving up assessment rates on those licensed insurance companies included in the assessment base. The Department further states as a result, municipalities and counties that procure health insurance may see costs increase by an indeterminable amount.

Action:

Senator Sanborn made a motion of re-refer and was seconded by Senator Houde. The vote was 5-0; Senator White will report this bill to the floor.

Printed: 02/09/2012 at 10:46 am

SENATE CALENDAR NOTICE
FINANCE

Senator Chuck Morse Chairman
Senator Bob Odell V Chairman
Senator John Barnes, Jr.
Senator Peter Bragdon
Senator Lou D'Allesandro
Senator Jeanie Forrester
Senator John Gallus

For Use by Senate Clerk's Office ONLY
- [ ] Bill Status
- [ ] Docket
- [ ] Calendar

Proof: [ ] Calendar [ ] Bill Status

Date: February 9, 2012

HEARINGS

Thursday **2/16/2012**

FINANCE	SH 103	1:00 PM
(Name of Committee)	(Place)	(Time)

EXECUTIVE SESSION MAY FOLLOW

Comments: Following the hearing will be an update presented by the Department of Health and Human Services on Managed Care.

1:00 PM SB150-FN authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

Sponsors:
SB150-FN

Sen. Jeb Bradley	Sen. John Barnes, Jr.	Sen. David Boutin	Sen. Sharon Carson
Sen. Tom De Blois	Sen. James Forsythe	Sen. John Gallus	Sen. Fenton Groen
Sen. Gary Lambert	Sen. Jim Luther	Sen. Chuck Morse	Sen. Bob Odell
Sen. Russell Prescott	Sen. Jim Rausch	Sen. Andy Sanborn	Sen. Raymond White

Shannon Whitehead 271-4980

Sen. Chuck Morse
Chairman

Finance Committee

Hearing Report

TO: Members of the Senate

FROM: Shannon Whitehead, Legislative Aide

RE: Hearing report on SB 150-FN – **authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.**

HEARING DATE: February 16, 2012

MEMBERS OF THE COMMITTEE PRESENT: Senators Morse, Bragdon, Odell, Barnes, D'Allesandro, Forrester, Gallus

MEMBERS OF THE COMMITTEE ABSENT: No one

Sponsor(s): Sen. Bradley, Dist 3; Sen. Barnes, Jr., Dist 17; Sen. Boutin, Dist 16; Sen. Carson, Dist 14; Sen. De Blois, Dist 18; Sen. Forsythe, Dist 4; Sen. Gallus, Dist 1; Sen. Groen, Dist 6; Sen. Lambert, Dist 13; Sen. Luther, Dist 12; Sen. Morse, Dist 22; Sen. Odell, Dist 8; Sen. Prescott, Dist 23; Sen. Rausch, Dist 19; Sen. Sanborn, Dist 7; Sen. White, Dist 9

What the bill does: This bill authorizes individuals and certain businesses to purchase health insurance from out-of-state insurance companies. The bill grants rulemaking authority to the insurance commissioner for the purposes of the bill.

Who supports the bill: Sen. Luther, Sen. Groen, Sen. Boutin, Bruce Berke (NFIB)

Who opposes the bill: Bob Blaisdell and Matt Alberquerque (N.H. Coalition for Prosthetics) Richard Smith (Diabetes) Autum Vergo (N.H. Midwives Assoc.) Adrian Feldhusen (N.H. Midwifery Council, Elizabeth Kennett and Liz Kennett (Granite State Diabetes) Susan Paschell (Harvard Pilgrim Health Care) Roland Lamy (N.H. Community Behavioral Health) Louis Josephoon (Riverbend Mental Health) Amy Rheume, Michelle Abbott, Carole Poulin, Noel Marcoux, Chrissy Mostrom, Mike Rollo (American Cancer Society) Eileen Flockhart (N.H. Commission on Deafness & Hearing Loss) Stephen Habbe (American Diabetes Assoc.) Doug McNutt (AARP) Bonnie Dunham, Bob Denz (AARP) Rebecca Dobles (Keystone Hall) Karen McDowell, Paul Rogers (Anthem) Donald Phundstein (MVP) Lisa Kaplan Howe (N.H. Voices for Health) Jeff Dickson (GSIL) Amy Pepin (New Futures) Kirsten Murphy (N.H.) Keith Kuenninc (CFS) Carol Stamatakis (N.H. Council on ASD)

Mariellen MacKay (Moore Center) Lisa Dimartino, John Richards (Governor's Commission on Disability) Jeffrey and Chrissy Mostra (Connor's Law- ASD) Matt Hatfield Sr. (New Futures) Kathryn Hartwell (N.H. Certified Midwives) Kelly Hobbs (N.H. Providers Assoc.) Ken Norton (National Alliance on Mental Illness) Peter Alabisco, Jennifer Bertrand, John Marcoux (Hard of Hearing) Lisa Shapiro (PPNE)

Took no position: Jennifer Patterson and Tyler Brannen (N.H. Insurance Dept.)

Summary of testimony received:

Senator Bradley:

- The subject of this bill is allowing out-of-state insurers to be able to insure within New Hampshire.
- Amendment (0861) addresses some of the concerns that were raised in the Commerce Committee.
- Under the original bill there was not adequate consumer protection through the Department of Insurance. This Amendment would cure that problem.
- It's a three-year pilot program that does not end mandates.
- A lot of the people are concerned about mandates. I'm concerned about the fact that N.H. has such limited competition in the healthcare market, and that because of some actions that have been taken for almost a generation in N.H.; we have driven a lot of insurers out. We need more competition, for the simple fact that we have among the highest health insurance rates in the nation.
- If we can get more insured people into the system, that helps lower everybody's rates and that's the thrust of this Amendment.
- It's not an attempt to end mandates. It's an attempt to structure options for consumers to choose from. A policy that would cover all the mandates that have to be offered or something else that has less mandates or potentially no mandates in an effort to get more insurers back into the State of N.H.
- Maybe there's a better way to try to tackle this. It is a very tough problem that employers and individuals face; it's one of the largest bills that any of us face.
- We've got to try to do everything that we can to get more people insured and lower cost health insurance in New Hampshire.
- I think some of the concerns that folks might raise about adverse selection in a three-year pilot program tend to be minimized.

Senator Sanborn:

- It is very important initiative for us to try to expand the options for healthcare for more people in New Hampshire.
- Our issue is how we can combat the fact that we have some of the most expensive insurance in America, acknowledging that we are one of the healthiest people.
- Over the past decade we have had a challenge where the number of companies offering insurance in our state has morphed into one pay for all services type of a process.
- We came up with a concept of trying to open the door to encourage out-of-state insurance companies to come here and offer a healthcare plan.
- There are concerns about consumer protection. There are concerns about mandates, adverse selection and discrimination.
- Today in N.H. if you are an employer with over 50 employees, you are not required by law to offer an insurance policy with all the requisite mandates

that we have.

- We have 43 service mandates. If you self-fund, like the State of N.H. does, today you're not required to offer all -- any or all of 43 service mandates.
- In our state if you are an individual or if you are an employer of under 50 employees, you're required by law to maintain the most expensive insurance that can possibly be bought in our state, and I don't think that's fair.
- As a business owner with 30 employees, only two of my employees buy health insurance, and I still pay for 50% of it. But the other 28% say they can't afford it.
- An adverse selection issue is the concern that we're weaning off the healthy population. We'll only have a population that might be older or not as well in affecting our insurance rates. How many people in the State of N.H. are falling off health insurance because they just can no longer afford it?
- If we can expand the size of the pool, we defeat much of the adverse selection argument. In addition, that Senator Bradley has said, this is a three-year pilot program which will give us the ability to look and see if it is being successful and if there is any adverse effect on the pool itself.
- We made the decision to require that any insurance company operating in New Hampshire today as they do or who might come in and participate in this plan would still be required to have a New Hampshire license, which means the State of New Hampshire would still oversee them for capital base, would still oversee them to ensure mandates are there are being complied with; to ensure that if we need to adjudicate, we'll adjudicate in New Hampshire.
- As opposed to trying to find a different way of licensing to allow out-of-state companies to come into New Hampshire, we made the decision to actually create a new health plan which we call Plan L.
- This plan allows insurance companies provided they get a license to come to New Hampshire and offer a plan that is not required to have any or all of the mandates. However, in order to protect, everyone in New Hampshire They can only offer a light plan if they offer a plan that still maintains every single mandate that we presently have.
- Consumer protection, the Department of Insurance are neutral. They have some concerns about adverse selection. When it comes to mandates, at the risk of being repetitive, every mandate we have today will still be required to be held in a plan if anyone offers any other plan.
- The exemptions on mandates do have an exemption if there is still a requirement for a Federal mandate-although New Hampshire has 43, some of them also have a Federal component to them as well and we are continuing to respect that.
- This gives us the ability to test something that could help everyone in our state, help those who do not have insurance, help small business owners, ensure that those that want to have a full mandate plan can continue to have a full mandate plan.
- This will also give us that ability to be the first state in America to actually see the true cost of any mandate.

Senator Bragdon:

- Is there a provision that still had to comply with federal requirements. Is there something in the amendment that specifically lists, or is it generally applicable to the insurance statues already?

Senator Sanborn:

- That is on page 2 line 4

Senator Bragdon:

- A number of people individuals or as owners of companies, who no longer either purchased insurance for themselves because they can't afford the premiums or no longer provide it for their employees because they can't afford the premiums, because they just can't afford them.
- Your contention is that if we offer an L version, the supposition is then the premiums would be lower and some of these people who right now do not have insurance at all will at least have the opportunity to have some insurance and some insurance is better than no insurance.

Senator Sanborn:

- Beyond regulations, taxes, most important thing people talk about is health insurance. My health insurance went up 38% last year. It is going up another 17% this year.
- As a business owner I cannot afford it. This is an opportunity to provide something for someone. This will expand the number of people who have the opportunity for health insurance. No matter how much the deductible or how catastrophic the coverage could be its beyond peoples capacity to pay for it. .

Robert Blaisdell: N.H. Hampshire Coalition for Prosthetics.

- Concerns with the amendment which dilute the mandates we currently have. The amendment disregards all the work that has been put into mandates.
- In 2003 we passed SB 152 the prosthetics mandate. The cost shifting from the insurance industry on to the State of New Hampshire and its taxpayers. Our mandate stopped that cost shifting. Whether or not you have no insurance or the bare bones policy you're still going to have someone if there is serious injury to the leg which has to be amputated with that bare bones policy they are not going to have the insurance for the prosthetic leg.

Matt Alberquerque: President of Next Step Orthotic and Prosthetics.

- One of the biggest expensive is healthcare insurance and would want lower cost, but this is throwing the baby out of the bath water.
- Due to the economic times if there are two different plans one being the cheaper, most would go with the cheaper plan, a lower cost plan. If one loses a leg and they can't get coverage for prosthesis, many of these people don't go back to work.
- In result of not being able to go back to work, the tax payers of the state end up taking on that burden, but if that gentleman lost his job we are now paying for the health benefits of the whole family.
- I appreciate that fact that people are going to have a lower cost option, but just by nature of it being lower cost, they are going to chose that, but not going to have the coverage they need when they get injured and then will be on Medicaid to be able to provide for that. This was the argument back in 2003.
- Instead of getting rid of every mandate out there, can we take a look to see if there are any consequences to the taxpayers and is it truly a benefit to the insurance companies. The impact on premiums nine years ago the impact on premiums was 12 cents a month. $1.44 a year, we are protecting the tax payers of this state.

Senator Bragdon:

- If the person cannot afford insurance at all, then not only does the prosthetic device have to be covered by the taxpayers, but all surgeries and everything leading up to that also has to be covered if they don't have insurance?

Mr. Blaisdell:

- No insurance, a little insurance, either scenario the taxpayers going to pay for that at some point.
- There is a bill, HB 309, that in one of the sections, as amended by the House would review all existing mandates, reviewing cost also reviewing how it related to the essential benefits brought down by the Feds.

Senator Forrester:

- Are there other insurance plans that we have in the State of New Hampshire now, do they all cover mandates?

Mr. Blaisdell:

- If your self funded insurance mandates don't have to apply.

Richard Smith:

- Lived with diabetes for 19 years. Opposed to the bill and amendment. This would remove the important mandate that all healthcare insurance products include diabetes education and supplies. On a standpoint of diabetes, it would be most expensive.
- Diabetes is one of the leading causes for amputation, leading causes of blindness and kidney disease. The only way diabetes can be managed is education, yourself.
- In N.H. we are approaching almost a billion dollars just for diabetes. Half your costs are going to hospital treatments. Buying the cheapest plan/lowest premium can become the most expensive.

Autumn Vergo:

- N.H. Midwives Association. Distressed to see that the mandated coverage for NH certified midwives is one of the mandates that would be allowed to be exempted under Plan L.
- Our mandate doesn't raise costs because services of N.H. certified midwives are cheaper than hospital based services and the mandate doesn't require maternity coverage to be added to anyone's policy. It only applies to policies that already include maternity coverage and for those policies expands the provider type.
- Three birth centers in N.H. and 18 home birth practices that rely on third party reimbursement. Anything that can reduce our ability to be reimbursed could impact us financially.

Adrian Feldhusen:

- N.H. Midwifery Council. Serve 300 families a year. Self funded policies have never covered us. They have always been exempt. Maternity care coverage is already a covered service. Having it covered by the type of provider was just an expansion of provider type.
- We get paid substantially less for the same service as other providers provide the services currently; There is no expansion of monies that's going to be laid out. It will be the same or less.
- The North Country saw a rise in the amount of hospitals closing their obstetrics Unit. There are few options for women up there. Midwives serving those areas are few and far between, but critical. If we take funding away they will close their doors.
- Rethink the cost effectiveness and the fact that employers are going to be choosing a plan based on cost not based on what's best for their employees.

Roland Lamy:

- Executive Director, N.H Community Behavioral Health Association: We represent the ten community mental health centers. This will bring harm to N.H citizens in all fragments of our healthcare system. Handed in a prepared

testimony in opposition to SB 150, as amended.

Chrissy and Jeff Mostrom:

- Here as it regards the Amendment applies to Connor's Law. Son Levi, 4 years old has Autism.
- We were given a prescription for full-time Applied Behavioral Analysis program, the only proven effective treatment for autism. Although Applied Behavioral Analysis is the official recommendation of the Federal Government and by the American Academy of Pediatrics for treating autism, we learned that insurance was unwilling to provide coverage despite there being mental health parity in New Hampshire.
- Levi began an ABA, Applied Behavioral Analysis program, several months thereafter and has now received programming for a year. In one year's time his speech and eye contact are close to being fully restored. He has typical eating behaviors, is no longer aggressive and self-injurious and is at his appropriate age level for academics.
- There are still many deficits to be addressed, but with a few more years of intensive treatment we believe he will go on to live unassisted as a productive member of society.
- It represents an enormous benefit to the school district who will have to provide him with less support as he ages, and to the State who will no longer face the cost of his adult care.
- Applied Behavioral Analysis will assess a child's current level of functioning and then they will develop programming to systematically raise that level of functioning as high up the medical spectrum as possible.
- The ABA program costs over $100,000. Even with Connor's law in place, families are at tremendous odds to offer their child appropriate treatment in a timely manner.
- Our family members have deferred retirement, re-mortgaged a home, held fundraisers, sold many things so that our sacrifices, coupled with the protection of the mandate.
- Even with the mandate in place, Connor's Law, New Hampshire's children with autism are one in 74, are rarely receiving the appropriate level of ABA. It is still nearly impossible to make insurance companies comply with the law. Our insurance company is Anthem Blue Cross/Blue Shield and I struggled with them for the entirety of last year to comply with Connor's Law and reimburse our ABA costs up to the mandated 36,000.
- After compiled evidence of 11 months of illegitimate denials, been lied to, hung up on, involved the New Hampshire Insurance Department, been openly mocked for my efforts to recover reimbursement we were legally entitled to, I threatened to release my information to an investigative reporter. I received a check for the full amount several days later.
- The battle earned me a rapport with the Behavioral Health Department and this year I've already been able to obtain authorization from Anthem to pursue ABA for my children.
- Connor's Law offers us a very small element of security. Do not take away our protection. Connor's Law is New Hampshire's children with autism's only hope of receiving full-time ABA program recommended.
- ABA is not experimental. It is not special-education. It is not habilitation. It is the only time-proven medical way to help children with autism.

Mike Rollo:

- In opposition to amendment 0861s. The Society's opposition is rooted in new

Section 2, Roman numeral II, that amends RSA 420-G:4 that allows insurance carriers in New Hampshire to offer plans that do not include the following:

- Coverage for cost of bone marrow donation, coverage for scalp hair prostheses, coverage for qualified clinical trials, and coverage for low-dose mammography.
- It is important to note that New Hampshire mandated that low-dose mammograms be covered since 1988. Mammograms have saved thousands of lives. It's also important to note changes made to the Federal level may make several proposed exclusions moot, such as mammography coverage, as they will be automatically mandated by 2014 for all insurance plans.
- I do realize this is only a three-year pilot project, Senators. I didn't realize that at the time. I saw the new Amendment, but it doesn't give much comfort if you're diagnosed with cancer the next three years during the pilot program and you decide to save a few extra dollars
- Remember that regardless of age or socio-economic conditions, all the mandates that are before you have been approved after careful scrutiny by past Legislatures and were deemed appropriate for inclusion by our statutes, as they were in the best interest of New Hampshire's consumers.

Stephen Habbe:

- Advocacy Director for the American Diabetes Association. The mandate that currently exists for diabetes coverage in New Hampshire ensures that people have the essential elements that they need for proper management of their blood glucose levels. Properly managing blood glucose levels is critical to maintain one's health when you have diabetes. This includes diabetes self-management education so one can learn how to independently manage your diabetes, equipment and supplies for checking your blood glucose levels, for administering insulin
- Many people with diabetes end up dying from cardiovascular due to complications and we know that 8% of New Hampshire residents already have diabetes and thousands of others have undiagnosed diabetes.
- The effort to find lower cost solutions is one we all embrace. But I also fear that if you have that lower cost option as some people that are younger, healthier, might migrate to it, the people left behind in other insurance pools would inevitably face higher costs if those lower cost people migrated to those other plans. So I fear that there's also a risk here for people that need the comprehensive coverage, you could increase their costs through an initiative like this

Michelle Abbott:

- Opposed to amendment. Both daughters are on the autism spectrum. Daughter Sarah has aggressive autism at 16 months. Sarah had intensive ABA program and early intervention up to age three. When Connors law was signed into law, this changed my families' life drastically. I have training support.
- The team that I have coming into my home it was 84-step process that the behavior analyst wrote for me. 84 steps that I had to do to teach her to brush her teeth alone.
- Autism is treatable. And that my youngest daughter got intensive ABA and no longer needs services. She mainstreams into school so the cost effectiveness that she mainstreams into school with early intervention is significant. She's the cost savings right there in education alone that she

doesn't need supports is significant because my second daughter got early intervention beginning at 12 months of age.

Senator Bragdon:

- You and your husband own your own business. If this amendment were to pass your insurance company would still have to offer a policy that covered the autism mandate and one that didn't. Are you concerned it wouldn't be available or be prices so high that you wouldn't be able to support it.

Ms. Abbott:

- It would be both. As a business owner, you don't want to continue paying skyrocketing prices. If I'm going to be close to more of a $2,000, $2400 to be able to afford this, the amount of money that my family has spent out-of-pocket alone in years has been over $30,000 to give her the coverage. So I'm going to pay the higher price premium to get the coverage because if she doesn't have it, she's not going to make any gains.

Noel Marcoux:

- Oppose Senate Bill 150. Two of my children have received services that are covered under these mandates. My son Jeff is 16 years old and has many diagnoses, including chromosome anomaly, epilepsy, autism, vision impairment and arthritis. The services he received starting at the age of nine months, were an integral part of the progress and success he now achieves.
- Since August of last year Jeff has received special therapy services that you've heard about, Applied Behavioral Analysis, four evenings each week. His progress since August has been remarkable. The gains he has made and will continue to make with this therapy will reduce the level of need in his long-term care.
- My daughter, my other child, will be 20. She's a sophomore RA with a 3.7 GPA at the University of Hartford. Her success is due to her determination, dedication, and motivation. It is also due to her hearing aids she wears. Jackie has a moderate to profound hearing loss in both ears. She would not be able to fully participate in her college education or the rest of the community without those hearing aids.
- She might choose that low cost insurance. She might not know that there will be no coverage for her new hearing aids when they need to be replaced. That's my concern for the citizens of the state that see these products and just go for the price and don't analyze what the coverages are.
- In the Amendment it only lists the RSA numbers. I find that very troubling that the Amendment doesn't list the actual supports and benefits that it's going to affect. So I wonder how transparent this affordable plan will be
- The RSAs are listed but it's not looked in. You have to go do the research to what those RSAs are. I think that's the transparency that's not there is that you have to go into the leg work. My concern is if a policy is written it's not going to say and these coverages that every other insurance plan has offered in the state has. So the people aren't going to make informed decisions, because it's not going to say these aren't covered.

Doug McNutt:

- One is our concern is this will create an adverse selection in that the people who need the mandated plans will be in them and a lot of younger, healthier people may not be in them.
- Even over a three-year period that will have a tendency to raise the rates for those in the other plans. It's not clear and maybe I just haven't read the Amendment well enough to know would employers be required to supply a

mandate plan in addition to a mandate-free plan. That would be -- that would go to some of the questions that you've been asked with regard to some of the people who already testified.

- As a general purpose, insurance is really something that is meant to cover people so that there would be a pool. So that we would balance sick people with those who aren't sick.
- If you have a plan for younger people that doesn't include all these coverages, how do they know if they're going to get diabetes? How do they know they're going to have cancer? How do they know that they're going to need coverage for these issues? The fact of the matter is they probably can't.

Jennifer Patterson:

- The Department was very concerned about the original version of Senate Bill 150 because essentially it would have allowed out-of-state health insurers to conduct business in New Hampshire without being regulated by the Department and there wouldn't be any consumer protection, solvency protection, any of the other protections that are typically conducted by the New Hampshire Insurance Department.
- Senator Sanborn asked us to work on this Amendment and we did in an effort to deal with that regulatory issue. And basically making sure that any insurers conducting business in New Hampshire were fully regulated by the Department. So this Amendment does address those concerns.
- Concerns are raised with respect to adverse selection and the impact on the market as a whole. Obviously, there are also issues that people feel very strongly about with respect to the mandates. Typically, the Insurance Department does not take position one way or another on mandates. We do have a mechanism whereby we can do research on the cost of a mandate, but typically we don't take a position and we are not on this Bill taking a position on the mandates
- We did look at what some other states had done with mandate light types of programs similar to this one. In Utah and Arizona, they have offered mandate light programs but to avoid some of the risk selection problems they have been limited to in Utah a substitute for COBRA or continuation coverage. And in Arizona the mandate light program was limited to people who had been without health insurance for at least six months.
- The possibility that some of the coverage mandates might be required by Federal law. The amendment adds language that addresses the possibility and basically says an insurer couldn't exclude a mandate if it was required by Federal law.
- There's another issue that may come up down the road as to whether insurers would be legally entitled to charge different prices for the two different types of coverage.

Tyler Brannen:

- We think of mandates as applying to the small group market only. But that's because the small group is almost entirely fully insured. There are those substantial number of fully insured lives in the large group market as well. Almost 40% of large group is fully insured and also subject to the mandates.
- We think about the competition of insurers in New Hampshire bringing new companies into the state, I'm not sure that mandates are a significant issue on that front. What we believe are going to be more significant issues are the cost of developing a network in the state so a series of providers that the patients can go to, as well as the fact that there's a premium tax in the state and some others there are not.

- One of the things that drives insurance premiums is the average age of members. New Hampshire has an older population. Benefit richness is another factor that drives premiums. We have richer benefits, we are going to have more expensive insurance. The prices we actually pay for health care services. There is evidence that we pay higher prices for hospital and physician services in New Hampshire than elsewhere. Those costs are also going to drive insurance premiums.
- If you're thinking about mandates and adverse selection, one of the advantages of this bill is that it includes all mandates under service exemption.
- If you start to break them down, to the extent that people are interested in the coverage, they'll buy insurance when they think they're going to need it. As a man you might not want to buy maternity coverage if you don't think you're going to use it and you probably won't. And, indeed, in the individual market you can buy a rider for maternity coverage or you can pass on it. So guess what the cost is of that maternity coverage? It's almost equal to what you would pay if you didn't have insurance coverage. So I think those are the primary points that were brought up.
- There was a question about catastrophic coverage and the way our insurance markets are you do have relatively rich benefits in a small group market. When you go into the individual market where, in fact, actually some mandates do not apply, such as contraception, you do see much weaker benefits and much lower premiums. However, they are not proportional. To the extent you see premiums that are half as much as what we might see in a small group market, the actual value of those benefits is substantially less. Perhaps only 20%

Senator Morse:

- It was stated just the opposite when we heard testimony. It was basically stated that a small group is at a disadvantage because they have to fully be covered. You just stated just the opposite.

Mr. Brannen:

- When we are talking about fully insured markets, we are talking the small group. To an extent a large group but a majority of the large group is self-insured. And then there's the individual market. There are different mandates in some cases for the individual market and small group market. In most cases, the small group is more comprehensive with the mandates and then there's some exceptions on the individual. Contraception services is one of those things that is a mandate for small group but not the individual market.
- We look at premiums actually between those, that large group self-insured and the fully insured markets, the premiums are actually quite similar. So to the extent you think of doing away with the mandates is going to result in automatic deduction of premiums, there is some evidence to suggest that's not the case. However, what we do see is that the value of the benefits on that fully insured market are substantially less in the large group
- There's higher cost sharing, but fewer services perhaps covered, that kind of thing; but, in effect, the premiums are actually quite similar

Sen. Bragdon:

- The assertion is that one of the reasons for the high cost for insurance for, well, maybe everybody is the cost of all these mandates. So the simple question, which I'm sure the answer is not simple, is there's 43 mandates listed here. What is their cost?

Mr. Brannen: The NAIC has projected a high level of 5% of premium for mandates.
Sen. Morse: is that because most of the mandates that everybody is entitled to? You're saying only 5%.
Mr. Brannen: 5% of the premium would be loaded up based on the greatest number of mandates in a particular state.
Sen. Bragdon: 5%, is that nationwide or just applicable to New Hampshire?
Mr. Brannen: It's not based on New Hampshire. It's based on looking at all of the states and looking at the maximum impact.
Senator Bragdon: there's a difference between self-funded and 50 employees and more versus 50 employees or less.
Mr. Brannen:

- Just in terms of the markets when we talk about the large group market and small group market, the small group market is 1 to 50 members. Anything beyond 50 is considered large group.
- You actually see adverse selection against the small group market for groups of one because it's community rated, whereas the individual market is medically underwritten so healthier people can get cheaper insurance in the individual market. If you're sicker and want better insurance coverage you tend to go to small group market.
- The large group market is often filled with self-insured employer counts which are not subject to our insurance laws. So to that extent, they're not subject to the mandates. However, I think it is a misperception that all of the large group market falls into that self-insured category and not subject to the mandates. Close to 40% of the members covered by accounts in that large group market are, indeed, in accounts that are fully insured and subject to insurance laws so is subject to the insurance mandates.
- Almost 40% of the large group members. Folks covered by large employers in general. Those with more than 50 members. But these employers have decided not to be self-insured. They purchased insurance in the traditional sense, which means they need to -- they need to purchase insurance that includes mandated coverage for many of these benefits.

Sen. Bragdon:

- Those mandates come from the state or the Feds?

Mr. Brannen:

- There are mandates that are state insurance laws and this amendment would exempt those accounts from having to comply with.

Sen. Bragdon:

- Both small and large accounts then would be exempt under this?

Mr. Brannen: Correct.
Sen. Bragdon:

- Why aren't self insured don't have to follow the mandates?

Mr. Brannen:

- Insurance department insurance laws do not apply to employers.

Sen. Morse: In this legislation there will be an L group and a mandate group. By 5%, in general does this mean it will be a thousand dollars for the person that was loaded up and it be $950 for the person in the L group?
Mr. Brannen:

- Yes if you are doing the math based on the benefit design.

Sen. Morse:

- Are we attacking the right problem?

Mr. Brannen:

- Good Question.

Sen. Bragdon:

- The fully loaded one is a thousand dollars, and the L version is 950 per month. You offer that difference. You're going to see some people start leaving the thousand dollars a month group, go into 950, and so your 950 may stay the same, but your thousand probably isn't going to stay at a thousand because the healthier people are no longer there. The cost is spread amongst the smaller group so it might grow to 1100 which then increases the people. So it won't stay at a $50 difference.

Mr. Brannen:

- That's the Department's main concern

Paula Rogers:

- Opposed to SB 150. Take no position on the amendment. Whether this Bill if it were to pass would have any practical effect? Because the implication of the Amendment is that this sort of Plan L would be appealing to carriers.
- We are all trying to cope with the Affordable Care Act. We heard carriers did and the general public received a bulletin from the Federal Health and Human Services
- Secretary called Essential Benefits. Essential Benefits are standards that are going to be imposed on all carriers and the products they sell nationwide, if the Affordable Care Act comes to the floor in its entirety. And those Essential Benefits are probably going to require a pretty substantial range of coverages.
- We expected that we would get a more discrete description of what we were going to have to be covering. What the Federal Government did through the Secretary of Health and Human Services was direct each state to look to benchmark plans within each state and they were to use the plans that had the highest enrollment,
- In 2012 there was to be a selection of an arrangement -- an array of three plans, the most heavily populated, and those plans are going to be the benchmark for Essential Benefits. So, in fact, there's a lot of uncertainty about what an Essential Benefits Plan is going to look like.
- And that will be whether it's sold outside of an exchange or inside an exchange. I'm curious about whether a company, local or national, would have enough time as they're struggling with what's going to happen in 2014. It's voluntary.
- It doesn't say you shall write a plan that is Plan L. It's voluntary. My sense would be there are so many other things to contend with in the insurance market at the moment that embarking on a new plan might take six months to develop it. It would have to go through the Insurance Department for approval and you're well into 2013.

Donald Phundstein:

- We are opposed to the bill as introduced. I am agnostic to the amendment.

Lisa Kaplan Howe:

- The NAIC estimate of how much mandates cost and how much it would save. I just wanted to add to that that Texas has an annual survey where they look at their mandated benefits.
- They have a comparable number of mandated benefits as New Hampshire. And they found that those mandates increased their cost of coverage by less than 4% or $11 per month. They, too, have mandate-free plans that are available and they are less than 3% less than other plans. So that's 5 to $9 a

month. And I think part of that is due also we have to look longer term.

- When people go without needed care, maybe it costs less because they're not getting that care; but in the longer term as you've heard a lot of people allude to, they may have more significant health care needs.
- What we may see is that people have fewer options. Certainly, people who want to buy comprehensive coverage because as you were discussing just a little while ago, the cost of that coverage will go up significantly and they will be priced out of it. Employees won't have an option. So they are offered only a mandate-free plan. They will have no option other than to either purchase that plan or go without coverage.
- If the cost of comprehensive coverage gets so great due to this proposed legislation that they can't afford it, there's also a societal impact.

Jeff Dickinson: In opposition as amended:

- At GSIL, we believe that its passage would create what some here have called in the insurance industry and policy areas have called adverse selection. From our perspective, it is discrimination.
- Our fear certainly is by telling insurers, you can offer a plan that doesn't have all these mandates, but you have to offer one with it, our concern is that there's no way to control cost of what that plan with mandates could wind up rising to as that plan becomes, as it were, heavy with folks who have the more expensive or the more in-depth needs that they may have.
- This really seems to completely alter what the original impact of the Bill was. We feel like by doing that it's given the public less time to have input than would be ideal. And we just believe that there may have been a more transparent way to do this where there was more time.

Amy Pepin:

- New Hampshire in 2002 added minimal substance abuse treatment mandate for requirement for New Hampshire insurance. It was determined at the time that the cost would be minuscule; about 50-cents per person per month and that the benefits would be extraordinarily high.
- We know the cost of untreated substance abuse problems to the State of New Hampshire and directly to the State Budget. You know how it impacts Corrections. You know how it impacts Safety. You know how it impacts other health care costs. Imagine how that impacts the local community responding to domestic violence, et cetera. We know how it impacts children, how it impacts costs in the education system.
- The other thing that I wanted to point out was the cost to employers of untreated substance use. Folks with substance abuse disorder problems that are untreated have higher rates of absenteeism, higher rates of accidents on-the-job, higher rates of job turnover requiring new training. We all know how expensive it is every time you hire someone new. Have the opportunity today to point out the efficiency of having substance abuse disorders covered in the law for employers and for the entire State of New Hampshire's budget

Ken Norton:

- Opposed. This bill will allow insurance providers to opt out of benefits for mental illness as a whole and substance abuse disorders as well. This seems to me very clear discrimination.
- Why was mental illness selected as something that insurers cannot cover? Would we ever do that as a whole for cancer or for heart disease or for another medical condition? Why do we believe that it's acceptable to exclude

that as a medical condition? Changing the law to allow certain illnesses to be excluded from health care plans is encouraging employers and individuals to play Russian roulette with their health. No one should be forced to spin the healthcare wheel in the hopes that they don't end up with an uncovered illness.

Liz Kennett:

- That as a diabetes educator I have seen many individuals that have benefited from that mandate. Learning how to make a change in treatment plan requires accessible, affordable education, and that includes for everyone in New Hampshire with diabetes.
- A three-year retroactive claims analysis that was sponsored by the American Association of Diabetes Educators, it included 250,000 Medicare beneficiaries. There were cost savings associated with diabetes self-management training.
- The ability to obtain education would be jeopardized if insurance companies don't have to comply with New Hampshire State mandates for coverage of diabetes self-management training. I believe this is a classic example of how an ounce of prevention, which we would have if we maintained these mandates, can result in a pound

Amy Rheaume:

- Teach the Early Intervention Coordinator. I do the ABA therapy in Nashua for kids with autism. Son was two years old when he started with the ABA therapy. He needs the ABA therapy covered by Connor's Law, but is one of those self-funded plans. Son is where he is today because I've been in the field of ABA for 12 years.
- There's a lot of kids in Derry that aren't served that didn't get early intervention and aren't being served in Derry because they're too difficult to handle because they didn't have early intervention therapies. Birchtree in Portsmouth costs 85,000 a year. Melmark in New England is 98,000. New England Center for Children is 122,000. Those are the rates of what it costs for an out-of-district placement when a child does not receive early intervention.

Hearing concluded at 3:44pm

Funding:

FISCAL IMPACT:

The Insurance Department states this bill will decrease state general fund revenues by an indeterminable amount in FY 2012 and in each fiscal year thereafter. The Department further states this bill may increase county and local expenditures by indeterminable amounts in FY 2012 and in each fiscal year thereafter. This bill will have no fiscal impact on state expenditures or county and local revenues.

METHODOLOGY:

The Insurance Department states this bill authorizes individuals and certain employers to purchase health insurance from out-of-state companies not licensed in New Hampshire, but are licensed in other states, to do business in New Hampshire. The Department assumes it will be unable to collect a premium tax from out-of-state health insurance companies on premiums written in New Hampshire as there is no licensing requirement included in this bill. The Department states it is unable to estimate this bill's decrease on state premium tax revenues as it cannot predict the extent of New Hampshire

purchasers procuring insurance from out-of-state non-licensed health insurance companies rather than health insurance companies licensed in New Hampshire, which would be subject to the premium tax.

The Insurance Department states there are various assessments levied on insurance carriers that are passed through to New Hampshire policyholders. The Department states this bill proposes to allow individuals to purchase insurance from carriers that would not be included in the assessment base, therefore driving up assessment rates on those licensed insurance companies included in the assessment base. The Department further states as a result, municipalities and counties that procure health insurance may see costs increase by an indeterminable amount.

Future Action: Pending

sgw
[file: SB 150-FN report]
Date: 2-21-12

SENATE FINANCE COMMITTEE
State House, Room 103
Concord, NH
Thursday, February 16, 2012

MEMBERS PRESENT:

Sen. Chuck Morse (Chairman)
Sen. Bob Odell
Sen. Jack Barnes
Sen. President Peter Bragdon
Sen. Lou D'Allesandro
Sen. John Gallus
Sen. Jeanie Forrester

SENATE BILL 150-FN, AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

TESTIMONY OF:

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Sen. Andy Sanborn . . . . Pg. 4
Bob Blaisdell . . . . Pg. 13
Matt Albuquerque. . . . . Pg. 15
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(Convened at 1:04 p.m.)

CHAIRMAN MORSE: Let's open the hearing on Senate Bill 150 and ask Senator Bradley to introduce an Amendment.

JEB BRADLEY, State Senator, Senate District #3: Good afternoon, Mr. Chairman, Members of the Committee. For the record, Jeb Bradley, Senate District 3.

The subject of this bill is allowing out-of-state insurers to be able to insure within New Hampshire. Senator Sanborn and I have collaborated on an Amendment, I think, that addresses some of the concerns that were raised in the Commerce Committee, in particular, that they're not -- that they're under the original bill that there was not adequate consumer protection through the Department of Insurance. And I believe that this Amendment would cure that problem. Let me just very briefly talk about the amendments. Senator Sanborn will fill in more details.

First of all, it is a three-year pilot program that does not end mandates. I know that a lot of the people who are in the room today are concerned about mandates. I share those concerns, but I'm also concerned about the fact that New Hampshire has such limited competition in the healthcare market, and that because of some of the actions that have been taken for almost a generation in New Hampshire, we have driven a lot of insurers out. We need more competition, for the simple fact that we have among the highest health insurance rates in the nation. If we can get more insured people into the system, that helps lower everybody's rates and that's the thrust of this Amendment. It is not, as I said before, an attempt to end mandates. It's an attempt to structure options for consumers to choose from. A policy that would cover all the mandates that have to be offered or something else that

has less mandates or potentially no mandates in an effort to get more insurers back into the State of New Hampshire.

I recognize that there's going to be a lot of thoughts from people in the room. I respect those thoughts. Maybe there's a better way to try to tackle this, you know, very tough problem that employers face, that individuals face, it's one of the largest bills that any of us as individuals or employers face. And we've got to try to do everything that we can to get more people insured and lower cost health insurance in New Hampshire.

Again, it's a three-year pilot program so I think some of the concerns that folks might raise about adverse selection in a three-year pilot program tend to be minimized. It's an idea that may need some work. I'm willing to work on it with all of you and with all the people behind me that I can't see, and I thank you very much.

CHAIRMAN MORSE: Questions for Senator Bradley. Thank you, Senator Bradley.

SEN. BRADLEY: Thank you.

CHAIRMAN MORSE: Just so we can clarify for the public. We are working on Amendment 0861 dated February 16th, 2012. Everyone on the Committee have a copy of that?

SEN. D'ALLESANDRO: You said 0861?

CHAIRMAN MORSE: 0861s dated February 16th.

SEN. D'ALLESANDRO: Yes. So we just discard 0669?

CHAIRMAN MORSE: Right. We assent to that and we just received another one today, and we are working off the updated Amendment. Senator Sanborn. For the public's notice, we are going to meet until about 2 o'clock. We have Commissioner from Health and Human Services coming over to

present our managed care at two. We are going to recess. And when we are done with the Commissioner, we'll start right back up again. Senator Sanborn.

ANDY SANBORN, State Senator, Senate District #7: Thank you, Mr. Chair, Members of the Committee. For the record, Senator White could not be here today. He's weighing in. First and foremost, Andy Sanborn, Senate District number 7, 19 towns, three counties, including Merrimack, Hillsborough, and Cheshire. Thank you so much for allowing me to come in today and talk about what I believe is a very important initiative for us to try to expand the options for healthcare for more people in New Hampshire. I also want to thank Senator Bradley on working really hard to help us deal with a very important issue.

Our issue is how can we combat the fact that we have some of the most expensive insurance in America, acknowledging that we are one of the healthiest people. Senator Bradley had indicated over the past decade or so we have had a challenge where the number of companies offering insurance in our state has morphed into an essentially one pay for all services type of a process. So Senator Bradley came up with a concept of trying to open the door to encourage out-of-state insurance companies to come here and offer some -- to offer a healthcare plan.

Mechanically, we realized after introduction of that that there were some challenges. There are concerns about consumer protection. There are concerns about mandates. There are concerns about adverse selection. And just as important as all of that, there's concerns about discrimination. And when I mention discrimination, today in New Hampshire if you are an employer with over 50 employees, you are not required by law to offer an insurance policy with all the requisite mandates that we have. And as you know, we have 43 service mandates. If you self-fund, like the State of New Hampshire does, today you're not required to offer all -- any or all of 43 service mandates.

So when I say we are discriminating, today in our state if you are an individual or if you are an employer of under 50 employees, you're required by law to maintain the most expensive insurance that can possibly be bought in our state, and I don't think that's fair. 'Cause the challenge we have, like me as a business owner with 30 employees, only two of my employees buy health insurance, and I still pay for 50% of it. But the other 28% say they can't afford it. So when we discuss an adverse selection issue, which is the concern that we're weaning off the healthy population and we'll only have a population that might be older or not as well in affecting our insurance rates, we also at the same time need to consider how many people in the State of New Hampshire today are falling off health insurance because they just can no longer afford it.

So the concept of this premise is to try and find a way that we can expand the number of people on insurance. Because in the end, if we can expand the size of the pool, we defeat much of the adverse selection argument. In addition, that Senator Bradley has said, this is a three-year pilot program which will give us the ability to look and see if it is being successful and if there is any adverse effect on the pool itself.

So the challenges we have is how do we insure, how do we protect, how do we respect mandates, how do we open to out-of-state, and how do we maintain the pools. On the consumer protection side and how this -- this proposal first, that it was essentially open the door, let people come in; and without a New Hampshire license, it doesn't allow our Department of Insurance who, as some of you may know, have worked very hard to help us craft this, but not allow the Department of Insurance to have its regulatory oversight as it does with the two and a half companies operating in New Hampshire today. So we made the decision to require that any insurance company operating in New Hampshire today as they do or who might come in and participate in this plan would still be required to have a New Hampshire license, which means the State of New

Hampshire would still oversee them for capital base, would still oversee them to ensure whatever mandates are there are being complied with; to ensure that if we need to adjudicate, we'll adjudicate in New Hampshire. To ensure that we are still receiving the tax revenue, quite frankly. So it's about making an even and level playing field. 'Cause if we are going to hold the insurance companies operating in New Hampshire today their feet to the fire at some level, we have to offer everyone's feet to the fire at the same level.

So as opposed to trying to find a different way of licensing to allow out-of-state companies to come into New Hampshire, we made the decision to actually create a new health plan which we call Plan L. Some would say mandate light. To me it was Plan L. What that plan does is allows insurance companies provided they get a license to come to New Hampshire and offer a plan that is not required to have any or all of the mandates. Let me repeat that. There is a Plan L that means a company is not required to have the mandates. However, in order to protect all of the people behind me, everyone in New Hampshire that has that concern, let me be very clear. They can only offer a light plan if they offer a plan that still maintains every single mandate that we presently have. So we are still protecting specifically all the mandates that we have. It's like walking into a car dealership. Some people want to buy the Cadillac, some people want to buy the Pinto, but there's a requirement that both of them stay on the lot.

For me personally, having spent almost five years in the hospital and getting up there in age, a little older than Senator Barnes, I have a requirement and a need for a full service plan that would have all the mandates. For someone young, like Senator Barnes, he might want the strip down version.

So consumer protection, the Department of Insurance will come in and they'll testify mechanically they are neutral on this. Obviously, they have some concerns about

adverse selection as we always talk about. My contention is let's open the door and get more people in the pool and combat that. When it comes to mandates, at the risk of being repetitive, every mandate we have today will still be required to be held in a plan if anyone offers any other plan.

Our ability to non-discriminate on people, I believe, is one of the most important things we should be discussing here today. That if one section of our state is allowed to not have them, we should have that opportunity for everyone. And I'm not trying to go all the way down that road. I recognize that fact. But I'm trying to find some way that we can make sure we have coverage for these people.

As I mentioned in the beginning, as I think Senator Bradley had also done, this is a three-year pilot program. And the exemptions on mandates do have an exemption if there is still a requirement for a Federal mandate. Because although New Hampshire has 43, some of them also have a Federal component to them as well and we are continuing to respect that.

So, in conclusion, this gives us the ability to test something that could truly help everyone in our state, help those who do not have insurance, help small business owners, help ensure that those that want to have a full mandate plan can continue to have a full mandate plan. This will also give us that ability to be the first state in America to actually see the true cost of any mandate. The requirement of having a mandate less with a full mandate, we'll see if it really is as expensive as they say.

So, in conclusion, would love to have your support and would love to answer your questions. And as you know, I'm also on HHS with Senator Bradley. And I ask after your questions for your leave and I'm happy to come back and answer anymore questions at the end of your testimony. With

that, that concludes my testimony and I'm happy to answer any questions.

CHAIRMAN MORSE: Questions for Senator Sanborn. Senate President.

SEN. PRESIDENT BRAGDON: Thank you, Mr. Chairman. Thank you, Senator Sanborn. One question I have is you mention that there was some provision of some sort that said still had to comply with Federal, whatever Federal requirements there might be. Is that something specifically listed in your Amendment or is that just generally applicable to the insurance statutes already?

SEN. SANBORN: Mr. President, thank you for the question. Came from Department of Insurance and it's in the -- it's in the Amendment.

SEN. PRESIDENT BRAGDON: Follow-up then.

SEN. SANBORN: Yes, sir.

SEN. PRESIDENT BRAGDON: Can you tell me where I would find that in the Amendment?

SEN. SANBORN: Please accept my apologies. It was supposed to be in between Line 7 and 8 on Page 2 and it's not. Whoops, I apologize. Line 4, Page 2.

SEN. PRESIDENT BRAGDON: Oh, unless required by Federal law. Thank you.

SEN. SANBORN: Correct. Sorry about that.

SEN. PRESIDENT BRAGDON: Another question, if I may?

CHAIRMAN MORSE: Follow-up.

SEN. PRESIDENT BRAGDON: So I guess as I initially saw this I was concerned about the mandate issue 'cause I think

there are some legitimate issues there. But I guess I was also reminded of a number of people from my district who contacted me, either as individuals or as owners of companies, who no longer either purchased insurance for themselves because they can't afford the premiums or no longer provide it for their employees because they can't afford the premiums, because they just can't afford them. And so your contention is that if we offer a L version, we'll just call it a light version, the supposition is then the premiums would be lower and thus some of these people, perhaps many, I suppose you hope many of these people who right now do not have insurance at all will at least have the opportunity to have some insurance and some insurance is better than no insurance.

SEN. SANBORN: Mr. President, again, thank you for the question. No question. Like you, when I speak to constituents around my district of the state, beyond regulation, beyond taxes, the most important thing people talk to me about is health insurance. For me, my health insurance went up 38% last year. It's going up 17% this year. I'm proud to say I have always, always offered health insurance to my employees. But even as a business owner, I'm reaching that level where I cannot afford to do it. And you and I both here, as do many of us here, individuals and business owners that say it's reaching that level where they no longer have it or can't afford to offer it to their employees.

We talk about all the issues with health insurance and with the Affordable Care Act. At the end of the day, shouldn't it be about trying to make sure we can get everyone some level of coverage, even if it's not the Cadillac. Something. And I believe that this opportunity and this plan will provide something for someone, be it the 25-year old that just wants something catastrophic or the 30-year old that wants something with some level of mandates that they can pick out of a cafeteria style, like we used to have 20 years ago. So I do truly believe this will expand the number of people who will have the

opportunity for health insurance.

SEN. PRESIDENT BRAGDON: Thank you.

CHAIRMAN MORSE: I just want to remind the Committee the Department's here. But until we get a list of questions, I think we should hold off. 'Cause, I mean, I -- one of my questions would be I thought catastrophic insurance was available to the consumer in New Hampshire.

SEN. PRESIDENT BRAGDON: Maybe I have a follow-up question.

CHAIRMAN MORSE: Senator Sanborn. I mean, Senator Bragdon.

SEN. PRESIDENT BRAGDON: That's okay. I know who you meant. So, I guess, would you believe then that I know of individuals in my District who had health insurance plans as individuals with deductibles in the 5,000 or $10,000 range and were still paying hundreds and hundreds of dollars per month that finally had to say no more. I can't even afford that, even at the catastrophic level.

SEN. SANBORN: Absolutely, sir. I hear the same thing. I have employees myself who had catastrophic plans who had, you know, were paying the most they could and in order to maintain it. And for me as a business owner, my deductible has gone from what's traditionally been very reasonable to $5,000. And yet, I still pay almost $1700 a month for the insurance. At some level it just becomes so much that no matter how big the deductible or how catastrophic the coverage could possibly be, it's beyond people's capacity to pay for it. When it's beyond your mortgage, when it's beyond what you take home in a week, or a month, we need to find some way to offer people some insurance 'cause some is better than none.

SEN. PRESIDENT BRAGDON: Thank you.

CHAIRMAN MORSE: Further questions. Senator Sanborn, did this come from Health and Human Services, your Committee?

SEN. SANBORN: Did it?

SEN. PRESIDENT BRAGDON: Commerce.

SEN. SANBORN: Comes from Commerce. I apologize. Introduced in Commerce.

CHAIRMAN MORSE: The reason the Amendment didn't come out of that Committee?

SEN. SANBORN: It was -- it essentially, mechanically, came out with an Amendment and was brought back to Committee for further review and the Chairman of that Committee brought it back to allow time for discussion as a floor Amendment. And if I remember right, you or the President wisely said you would like to send it over to Finance for more of a public hearing.

SEN. PRESIDENT BRAGDON: I believe, Mr. Chairman, we were up against the deadline for taking action on bills left over from last year and the only option was to either kill it or send it here for a public hearing.

CHAIRMAN MORSE: I'm just wondering why there was no new Fiscal Note.

SEN. PRESIDENT BRAGDON: Oh, okay.

CHAIRMAN MORSE: 'Cause I didn't even adopt it. Further, the -- it's -- Senator Bradley suggested that there's work to be done on this. He didn't elaborate on it, though.

SEN. SANBORN: First I heard of that as well, sir.

CHAIRMAN MORSE: Okay. Well, we'll find out today, I

guess. All righty. Any further questions? Senator D'Allesandro.

SEN. D'ALLESANDRO: Just a question of the Chair. The public hearing aspect of this, we had a public hearing on an Amendment. I mean, in other situations we would vacate this bill back to the policy committee. They would rehear this based on the policy changes and then send it forward to the Finance Committee if, indeed, the financial implications were significant. And another President is here. Mr. President, we are hearing policy here. I mean, and that policy has nothing to do with finances because there's no financial note. So we are, in essence, hearing the policy, where the policy should either be in Health and Human Services or in the Commerce Committee where it originally emanated from.

CHAIRMAN MORSE: I mean, I brought that up to the Senate President, and the fact is it's here and I think we should deal with it. The reality is the Committee punted and we are going to have to do the heavy lifting. So I don't have any problem doing that at this point. So I think we'll continue. Further questions for Senator Sanborn. Thank you.

SEN. SANBORN: Ladies and gentlemen, thank you so very much.

CHAIRMAN MORSE: We are just going to take them in order. And everyone else I'll read off as we go down people that have signed up in favor. But everyone else is speaking opposed to the legislation. So if you're teamed up together, which I see a few names that looks like they are, if you could speak to the subject together, that would be great.

Senator Luther signed up in favor not wishing to speak. Senator Groen signed up in favor not wishing to speak. Senator Boutin signed up in favor not wishing to speak. Bob Blaisdell.

ROBERT BLAISDELL, Lobbyist, Concord, NH: Mr. Chairman, with your permission, can I also bring Matt Albuquerque?

CHAIRMAN MORSE: Thank you.

MR. BLAISDELL: Thank you, Mr. Chairman, Members of Committee. For the record, my name is Bob Blaisdell with Demers & Blaisdell here in town representing the New Hampshire Coalition for Prosthetics. With me here to my right is Mr. Matt Albuquerque, owner and president of Next Step Orthotics and Prosthetics located in Manchester, New Hampshire.

I have -- we have real concerns with the Amendment offered by Senator Sanborn and Senator Bradley, which would essentially severely dilute the mandates we currently have on the books. I very much appreciate their motives about trying to lower healthcare cost for everybody. I appreciate that and I'm with them on that. I just think that right now this is -- this is not the way to go. Because I know that every single mandate that we have on the books today has a story to it. And each mandate was put on the books because there was a lot of thought behind it, a lot of work behind it, and a lot of compromise behind it. A lot of important discussions took place to get them on the books, and I think this Amendment completely disregards all of that work, discussions, and thought.

As I mentioned, I represent the prosthetics industry here in New Hampshire and I know five of the members here on the Committee were here in 2003 when we passed our Senate Bill 152, our prosthetic mandate, passed unanimously through the Senate. Fourteen to nothing out of the House Commerce Committee on consent calendar. That's a lot of support, strong support, for a mandate. I want to tell you why I believe there's a lot of strong support behind that.

We were able to show the cost shifting that was going

on at the time. The cost shifting from the insurance industry on to the State of New Hampshire and its taxpayers. Our mandates stopped that cost shifting. It was a win/win for the people of New Hampshire, it was a win/win for the State, and at the time all at the cost of 12-cents a month being added to the premiums in New Hampshire that we were able to show, $1.44 a year. I'd say that's a pretty good deal for everybody involved.

Mr. President, you mentioned earlier about isn't some insurance better than none. I would respond to you as it relates to this specific Amendment, whether or not you have no insurance or the bare bones policy, you're still going to have someone if they wrap their leg around a telephone pole that has to be amputated with that bare bones policy, they're not going to have the insurance for that prosthetic leg. Which means they're not going to be able to be a productive member of their society going back to work, especially if they're a factory worker or whatnot. They are going to fall back on the rolls of the state. Again, cost shifting is going occur, even with the bare bones policy. I know in some cases, yes, the some insurance is better because they're going to have the surgery to have their leg cutoff paid for. But after that, after they wheel him out of the hospital in the wheelchair saying good luck, they're left without a leg. Again, being placed back onto the State.

The bottom line is, is that this two-page Amendment seems to be, you know, simple on its face, seemed to answer a very complicated, frustrating problem, that being the cost of health insurance. But in my view, there clearly needs to be a better way to do it than this Amendment you have before you today.

I was riding up 93 this morning -- I'm just going to close with this and hand it over to Matt. I was riding up 93 and said to myself, going through the Amendment in my mind, and the word affordable kept on coming to my mind as written a few times in this Amendment. What's affordable?

I'll tell you what's affordable is I can go by a $600 mini van for my wife and three children this afternoon. That's affordable. Is it safe? No. Is it the right thing to do? No. Is it going to break down two weeks from now? Probably. But it's affordable. What does affordable mean? So I think you have to ask yourselves what does affordable mean and what you get with affordable.

So I would just end with that and certainly entertain any questions after Mr. Albuquerque is finished.

MATT ALBUQUEUQUE, President, Next Step Orthotic and Prosthetics: Thank you, guys, for giving us the time. I know you have a lot of people to talk to so I'll try and get my points across as quickly as I can. I'm also the owner of Next Step Orthotics and Prosthetics, employs about 28 people across three different states. One of my biggest expenses in the company is healthcare insurance and I would love nothing better than to come up with a way to lower the cost. But this is throwing the baby out with the bath water a little bit and I'll explain to you why.

If somebody has a choice of two different plans, one being cheaper, I would pretty much argue that most people are going to pick that cheaper plan, on top of the fact a lot of employers don't offer a category of options to their employees in regards to what they can pick from. So I would think that if an employer has an option for a lower cost plan, he's going to pick that and rightfully so, due to the economic times right now and everything else going on. If they pick that plan, and one of their employees, unfortunately, loses a leg and they can't get coverage for a prosthesis, I can tell you from being in the field for 25 years a lot of people don't go back to work. These are hard-working, tax paying citizens when they went into this dilemma. And as a result of not being able to get a prosthesis, the taxpayers of the state end up taking on that burden. And not only the burden of the prosthesis at that point in time, but because that gentleman lost their job, we're now paying for the health benefits of his whole

family. The amount of money that I can tell you back in 2003 when we passed this mandate, we had quite a few families come in that talked about the caregiver losing his leg and never wanting to go on Medicaid but had to, not only to provide for his family, but to have health benefits because he didn't have them anymore because he lost his job. And that's one of the things that I wish we could look at in terms of mandates, which is why I wish we could get into a position where we look at each one of them based on their, number one, their cost, the benefits, and the consequences potentially to the taxpayers of the state. So we really feel that as far as prosthetic care goes, I appreciate the fact that people are going to have a lower cost option. But just by the nature of it being lower cost, they're going to pick it. They're not going to have the coverage they need when they get injured and they're going to be on Medicaid to be able to have to provide for that. So that was the argument that we had back in 2003 and that's based on experience.

People come into our office that don't have insurance coverage, they end up going on Medicaid. So I appreciate the fact that there's a lower cost option, but what that really does is open up another porthole for people to get into Medicaid who ultimately never wanted to be there, but couldn't get the care they needed to prevent them from going there for that. So I just want to make sure that instead of getting rid of every single mandate out there, is there a way for us to look at it to make sure, number one, there's no consequences to the taxpayers and it actually is truly a benefit to the insurance companies because we proved, and I understand it was nine years ago, but everything's relative, that the impact on premiums was 12-cents a month. So for $1.44 a year, we were protecting the taxpayers of this state by making sure people received the care that allowed them to keep working. And I guess that's my biggest point without belaboring a whole other bunch of things. I'll keep it there for now.

CHAIRMAN MORSE: Questions for Matt?

MR. ALBUQUEUQUE: Please, Senator Bragdon.

SEN. PRESIDENT BRAGDON: One for Senator Blaisdell.

MR. ALBUQUEUQUE: Some day.

SEN. PRESIDENT BRAGDON: Don't give him any idea.

MR. BLAISDELL: I got the name plate already.

SEN. PRESIDENT BRAGDON: I'm sure you do. I know you took -- well, used the example that I had given about some insurance versus no insurance. And I understand your argument that at least with the mandate then the person who has to get the prosthetic, otherwise the public would pay for it. But isn't it also true if the person cannot afford insurance at all, then not only does the prosthetic device have to be covered by the taxpayers, but all the surgeries and everything leading up to that also has to be covered if they don't have insurance?

MR. BLAISDELL: Senator, I certainly understand what you're saying. All the point I was making is that under either scenario, no insurance, a little bit of insurance, either scenario the taxpayers's going to pay for that at some point.

SEN. PRESIDENT BRAGDON: Thank you.

CHAIRMAN MORSE: Bobby, there was a House Bill and you brought it up to me in our meeting yesterday.

MR. BLAISDELL: Yes.

CHAIRMAN MORSE: Can you tell the Committee what that was?

MR. BLAISDELL: Sure. My understanding is, I believe it's got a hearing next week on the 22nd, House Bill 309, I

believe there's a section in there as amended by the House that would review all existing mandates. And I'm trying to remember. It was review the cost. It also -- there was a section there reviewing how it related to the essential benefits brought down by the Feds. That's something that I know I can speak for, at least, Matt and I and the people we represent. You know, we are very proud of our mandate. We stand by our mandate. We think it saves the State money and it's good for the people. We have no problem with our specific mandate being reviewed in such a commission. We stand by it. And that would be the appropriate -- I believe the first start before you move forward with the pilot program. Now, I mean, I understand, you know, pilot program is great to find out what happens in three years. But along the three years, you have no idea who's going to get hurt along the way. I think the appropriate thing would be to have an appropriate review before you do the pilot to get a better sense of where you're headed.

SEN. BARNES: A couple of comments. One, Bobby, your grandfather cracked a big smile with that earlier introduction by Senator Bragdon.

MR. BLAISDELL: Yes, he did. He did, Senator.

SEN. BARNES: Your grandfather was smiling down on you.

MR. BLAISDELL: Yes, thank you.

SEN. BARNES: My second comment is, Matt, I just wanted to thank you for all you've done and are doing for the returning veterans to this state that have need for your product.

MR. ALBUQUEUQUE: I really appreciate that, Senator Barnes.

SEN. BARNES: So do I and people in New Hampshire appreciate that.

MR. ALBUQUEUQUE: I greatly appreciate that comment, sir.

CHAIRMAN MORSE: I just want to say Commissioner Stephen or former Commissioner Stephen did call after you left yesterday and supported the mandate.

MR. ALBUQUEUQUE: Thank you, appreciate that.

CHAIRMAN MORSE: Further questions?

SEN. FORRESTER: Thank you. Mr. Blaisdell, I'm not sure who can answer these questions but I'll ask you. Are there -- the other insurance plans that we have in the State of New Hampshire now, do they all cover mandates?

MR. BLAISDELL: My understanding is -- let's use state employees. Self-funded. If you're self-funded you don't -- I'll have the Insurance Department speak to that, but I believe that if you're self-funded insurance mandates don't or don't have to apply.

CHAIRMAN MORSE: Okay. Further questions? Thank you very much.

MR. BLAISDELL: Thank you for your time.

CHAIRMAN MORSE: Richard Smith.

RICHARD SMITH, Hancock, NH: Good afternoon, Mr. Chairman, Members of the Committee. Thank you very much for the opportunity to speak. For the record, my name is Richard Smith. I'm a citizen of this great state, live in the Village of Hancock. I'm a 72-year old that's been living with diabetes for 19 years. Living well with it. I have no complications. I'm in peak health, primarily because of the diabetes education that I've received over the years. I'm opposed to this Bill and Amendment as written, because it would remove the important mandate that all healthcare insurance products include diabetes

education, supplies. This proposed Bill may appear to be the cheapest Bill that there is. I mean, insurance plan that there is. But, in fact, from the standpoint of diabetes, it would be the most expensive.

It's well-documented that coverage of diabetes education supplies significantly reduces the rate of complications and, therefore, expensive hospital treatments. For example, just tie in with the last gentleman that testified. Diabetes is one of the leading causes for amputation. It's one of the leading causes of blindness, kidney disease. For example, uncontrolled diabetes leading cause of end-stage renal disease. The annual average cost to kidney dialysis is $81,000. That's expensive. That's what's causing states to go broke. It's killing us because we're not investing in the prevention, and prevention has to do with education so you're knowledgeable enough that you can manage, in this case diabetes, yourself. 'Cause that's the only way it can be managed. We have way too many people out there with benign ignorance that are suffering consequences. That's why we have the mandate for diabetes. It's that critical. It's that important.

Take a look at Page 3 of my testimony. This shows you dramatically where our costs are going right now just for diabetes. And here in New Hampshire we're approaching almost a billion dollars just for diabetes. It's the complications. It's the not having control. If you look at this, you'll see the color chart, half your costs are going to the hospitalization treatments. Half. And you take a look at all of these other categories. Diabetes education, supplies, we're not investing that much in it and that's part of the problem. So this shows you dramatically what we are dealing with. So individuals and small employers may well want to pay the lowest premium. Of course, we all would. But as I've just illustrated, it can be the most expensive, also. So thank you very much for a chance to speak.

CHAIRMAN MORSE: Thank you, Mr. Smith. Questions. Thank you very much. Autumn Vergo, New Hampshire Midwives.

AUTUMN VERGO, New Hampshire Midwives Association: Thank you. My name is Autumn Vergo. I'm a New Hampshire certified midwife and here representing the New Hampshire Midwives Association. I'm here -- Senator Bradley mentioned that there is some work to be done on this bill, and particularly the Amendment, and I'm here to talk about one of those pieces that I believe needs to be worked on.

I'm confused and distressed to see that the mandated coverage for New Hampshire certified midwives is one of the mandates that would be allowed to be exempted under Plan L. It's confusing to me to see our mandate here because it received such widespread, bi-partisan and grassroots support when it was passed only a few short years ago. And also because our mandate is unique in that it doesn't raise costs, because services of New Hampshire certified midwives are cheaper than hospital-based services and the mandate doesn't require maternity coverage be added to anyone's policy. It only applies to policies that already include maternity coverage and for those policies expands the provider type. And for those reasons, it doesn't raise costs. If it's not raising costs, I don't see that it belongs in language that seeks to -- that seeks to create affordable healthcare plans.

And the last point I want to make is just as a small business owner myself that just to remind everyone that there are three thriving birth centers in the State of New Hampshire and 18 home birth practices that rely on third-party reimbursement. We still have to struggle a little bit for our third party reimbursements. I don't know if anyone has dealt much with insurance companies but it can be tricky. And so anything that reduces our ability to be reimbursed could impact us financially, and I am concerned about that. Thank you.

CHAIRMAN MORSE: Adrian.

ADRIAN FELDHUSEN, New Hampshire Midwifery Council: Hi. Thank you for letting us speak. I'm the New Hampshire Chairperson from the New Hampshire Midwifery Council. So I represent all the midwives in the State of New Hampshire. Currently, there are 20 of us. We serve about 300 families a year. It's fairly extensive. When we did this bill originally, some of you saw me speak several years ago. There was less than 100 births happening in out-of-hospital settings per year. And so we saw a 300% rise in the amount of women and families being able to choose out-of-hospital birth. Self-funded policies have never covered us. And so they have always been exempt. They did not choose to cover us. Medicaid was the first one to cover us. And one of the points that we made was why would Medicaid women be able to choose this, but it was not good enough types of care for people who are on private health insurance? We did a cost comparison at that point. We presented a huge proposal to you. Medicaid actually came in and talked about the cost benefit analysis and the fact that every year they increase our budget. I agree with Autumn's, you know, her rendition of this that, you know, we didn't add anything to maternity. Maternity care coverage is already a covered service. Having it covered by the type of provider was just an expansion of provider type. And as it is, we get paid substantially less for the same service as the other providers provide the service currently. And so there is no expansion of monies that's going to be laid out. It's actually going to be the same or less, if nothing else.

Much of the North Country actually saw a rise in the amount of hospitals closing their obstetrics unit. This is of pique interest to what's happening in the North Country. There are very few options for these women. Midwives serving those areas are, you know, few and far between but they know they're critical. If we take the funding away from them, they will close their doors, and the women of the North Country will have few or no options.

I urge you to really think about the cost

effectiveness and the fact that employers are going to be choosing a plan based on cost, not based on what's best for their employees sometimes. The employees do not get to choose if their health insurance policy will cover a midwife in case they get pregnant. Any questions, I'd be happy to field.

CHAIRMAN MORSE: Questions from the Committee. Thank you. Susan Paschell.

SUSAN PASCHELL, Harvard Pilgrim Healthcare: Susan Paschell. I handed in written testimony --

CHAIRMAN MORSE: Okay.

MS. PASCHELL: -- for Harvard Pilgrim Healthcare opposing the Bill and any Amendment.

CHAIRMAN MORSE: Thank you. Roland Lamy.

ROLAND LAMY, Executive Director, New Hampshire Community Behavioral Health Association: Thank you, Mr. Chairman. My name is Roland Lamy. I'm the Executive Director of the New Hampshire Community Behavioral Health Association. We represent the ten community mental health centers. I think you're going to hear pretty common themes about the potential harm to New Hampshire citizens in all fragments of our healthcare system. In the interest of time, we did prepare a written testimony in opposition to Senate Bill 150, as amended. I think I will just simply distribute that, save you some time, and give others the opportunity to speak as well. I'll be available for questions.

CHAIRMAN MORSE: That was quick.

MR. LAMY: Very quick.

CHAIRMAN MORSE: Let's see. Riverbend Mental Health. Is it Louis?

LOUIS JOSEPHSON, Riverbend Mental Health: Louis Josephson. I'm going to defer to Roland. We have similar comments.

CHAIRMAN MORSE: Now I have a whole group of people that look like they were signed in by one person. Is it Amy, Carole, Noel, Chrissy. They all -- do you all want to speak?

CHRISSY MOSTROM, Merrimack, NH: Senators, Members of the Committee, I did prepare written testimony. I could keep one and request that my husband Jeff --

CHAIRMAN MORSE: Can you just state your name. Have a seat.

MS. MOSTROM: It's Chrissy Mostrom. We live in Merrimack, New Hampshire.

JEFF MOSTROM, Merrimack, NH: I'm Jeff Mostrom.

MS. MOSTROM: We are here as it regards the Amendment applies to Connor's Law. We have worked very hard to advocate for it and support it. If it's all right with you, I'll read my testimony and try not to be a bore.

CHAIRMAN MORSE: Sure.

MS. MOSTROM: I'll try to read expeditious. My name is Chrissy Mostrom. I write to represent my children and to express my vehement opposition to House Bill 105 and any Amendment that would place early intervention and Connor's Law in peril. My first experience testifying before the Senate was when my son Levi, now four, had just regressed into autism. Levi had quickly gone from a loving and engaged child to a little boy who suddenly forgot how to speak, how to eat, and even who we were. He filled our hours with shrieking for reasons we did not understand and in self-injurious and aggressive behaviors. He began

eating dirt. Our hearts were broken.

We were given a prescription for full-time Applied Behavioral Analysis program, the only proven effective treatment for autism. Although Applied Behavioral Analysis is the official recommendation of the Federal Government and by the American Academy of Pediatrics for treating autism, we learned that insurance was unwilling to provide coverage despite there being mental health parity in New Hampshire.

I pleaded with the Senators to imagine regressive autism as I felt it, like a kidnapping of my precious son. There existed a time-proven medical treatment that offered a ransom, a feasible, prescribed way to raise his level of functioning and secure him a safer future, and it was unattainable to us. I begged for the Senators to intervene and to give my child the opportunity of medical treatment that he would be afforded had we received any other diagnosis. Connor's Law was signed into law and we had hope for the first time since Levi had started slipping away to where it was hard to reach him.

Levi began an ABA, Applied Behavioral Analysis program, several months thereafter and has now received programming for a year. In one year's time his speech and eye contact are close to being fully restored. He has typical eating behaviors, is no longer aggressive and self-injurious and is at his appropriate age level for academics. There are still many deficits to be addressed, but with a few more years of intensive treatment we believe he will go on to live unassisted as a productive member of society. This is not only an answer to our prayers, it represents an enormous benefit to the school district who will have to provide him with less support as he ages, and to the State who will no longer face the cost of his adult care. As I said, he was eating dirt. He most certainly would have required adult care.

It's important to understand that the success of

recovering significant levels of functioning is not possible with merely special-education provided by the school district, even good special education. Special education will assess a child's level of function and develop programming for that level. Applied Behavioral Analysis will assess a child's current level of functioning and then they will develop programming to systematically raise that level of functioning as high up the medical spectrum as possible.

When we took Levi out of the Merrimack School District's Special Education Program and began ABA, Applied Behavioral Analysis, which is only possible to New Hampshire families with Connor's Law mandates, his rate of skill acquisition increased at a rate of 250% across the Board, which we can prove with data taken by board certified behavior analysts, multiple Ph.D's that we have employed just to verify that, indeed, he did have a 250% increase in the rate of his skill acquisition.

The ABA program costs over $100,000, my husband's entire salary. Even with Connor's law in place, families are at tremendous odds to offer their child appropriate treatment in a timely manner. To ransom our precious Levi, our family members have deferred retirement, re-mortgaged a home, held fundraisers, sold many things so that our sacrifices, coupled with the protection of the mandate, Connor's Law, might offer Levi a chance at the health and wellness we dream for him.

I would like to reiterate that even with the mandate in place, Connor's Law, New Hampshire's children with autism are one in 74, are rarely receiving the appropriate level of ABA. It is still nearly impossible to make insurance companies comply with the law. Our insurance company is Anthem Blue Cross/Blue Shield and I struggled with them for the entirety of last year to comply with Connor's Law and reimburse our ABA costs up to the mandated 36,000. After I had compiled evidence of 11 months of illegitimate denials, been lied to, hung up on, involved

the New Hampshire Insurance Department, been openly mocked for my efforts to recover reimbursement we were legally entitled to, I threatened to release my information to an investigative reporter. I received a check for the full amount several days later. Thankfully, the battle earned me a rapport with the Behavioral Health Department and this year I've already been able to obtain authorization from Anthem to pursue ABA for my children. The point is, had Connor's Law not existed, I wouldn't have had the courage, I would have had no recourse, and Levi would have had to end the treatment saving all of our lives.

Mothers with children with autism live in a state of grief and it is very hard to contend against the odds. Please, Connor's Law offers us a very small element of security. Do not take away our protection. Connor's Law is New Hampshire's children with autism's only hope of receiving full-time ABA program recommended. ABA is not experimental. It is not special-education. It is not habilitation. It is the only time-proven medical way to help children with autism. Presumably, your own children and grandchildren have not regressed at two years old so I'll convey what we are treating for.

Small children forget to eat food and chew holes in their own arms instead. They compulsively shatter glass for the euphoria of watching it shatter. They injure themselves to self-stimulate in the image of swelling blood. They grab stove burners because of the beautiful red light and they don't feel the pain of it. I have no wish to be crass and if the graphicness of this is offensive, I apologize. It offends my own. It certainly offends me. But you must know and hear it that if these children, one in seventy something, do not receive ABA afforded by Connor's Law, they're likely to live with no quality of life and we will live with the horror of it and do.

Children with autism who do not receive early intensive ABA are at tremendous risk of harm. Statistically they are frequent victims of drowning and molestation and

this will be on our hands. They cannot perceive danger. They can not communicate harm coming to them. You must defend them. If we fail to uphold the protection of these defenseless children, how great will be the loss? A lawyer would call it irreconcilable loss. I would call it a reproach on our state and an offense to God and His people.

It is with a heavy heart I finish my story. That's why I'm reading. When I first came to Concord and testified to request Connor's Law become law I was nursing a baby girl named Selah. She, too, slipped into autism this year at the end of May. Forgive me. The only thing worse than knowing that my beloved girl is far from is me is knowing there's a way to bring her back and not knowing by what means I will do so. Please stand up for me and my children and do not touch what little hope and security we have and we abide on. Thank you. When our children slip away we must not give them up as nameless and faceless. Now we must stretch out further.

I urge you to stand in the gap, as we mothers do for our children, because I believe it's possible that God, whether you have a faith in him or not, I believe he raises up men and tears them down and he instated you in a place of influence, potentially to help us and future generation of children regressing. And there's much contention over why they're are regressing, but there's no contention over the treatment that is effective. I can say it's changed our lives. We have hope that it will save our son completely and now for my daughter. We are far more blessed than most families and we are in a constant state of panic and dread.

So I do have faith in you every time I've come. I've been heard with kindness, and I don't express those graphic details to be manipulative, but I came from a very sheltered, conservative family. My pastor is Reverend Dr. Berube in Nashua. We have churches fasting and praying now and watching this issue because we had no idea until it happened to my own children that children everywhere are forgetting who their own parents are. It's really serious

when it's your own children. So thank you for your time. Please don't support the Amendment. Thank you.

CHAIRMAN MORSE: Thank you for taking the time to come up here. Mike Rollo.

MICHAEL ROLLO, State Director of Government Relations and Advocacy, American Cancer Society: Good afternoon, Mr. Chairman, Members of the Committee. For the Committee, my name is Michael Rollo. I'm the State Director of Government Relations for the American Cancer Society. And we are -- I'm here today in opposition to Amendment 2012-0861s.

The American Cancer Society is the nationwide, community-based, voluntary health organization dedicated to eliminating cancer, a major health problem, by preventing cancer, saving lives, and diminishing suffering from cancer through research, education, advocacy and service. The Society's opposition is rooted in new Section 2, Roman numeral II, that amends RSA 420-G:4 that allows insurance carriers in New Hampshire to offer plans that do not include the following: Coverage for cost of bone marrow donation, coverage for scalp hair prostheses, coverage for qualified clinical trials, and coverage for low-dose mammography. Numerous studies have shown early detection with mammography saves lives and increases treatment options. Steady declines in breast cancer mortality among women since 1990 have been attributed to a combination of early detection and improvements in treatment. It is important to note that New Hampshire mandated that low-dose mammograms be covered since 1988. The Society finds it curious that the Senate would consider striking a provision that has proven to save lives for thousands of New Hampshire women. It's also important to note changes made to the Federal level may make several proposed exclusions moot, such as mammography coverage, as they will be automatically mandated by 2014 for all insurance plans.

I have heard some speak to the notion that younger consumers are healthier and don't always need such

comprehensive coverage. That they will appreciate the savings. Others here will speak to the costs associated with them making the changes. But I want to leave you with a story about a young mother from Charlestown, New Hampshire. Excuse me. She was one of my advocates. Her name is Hilary St. Pierre. Hilary was 21 years old, just graduated from nursing school, was ready to become a first-time mother, and she was diagnosed with Hodgkin's Lymphoma. Because of the mandates contained in RSA 415:18-I, she was able to through clinical trials. Numerous ones. And it helped her live another eight years until last week when she died at the age of 29. Twenty-nine, Senators. I'm sure that her young family would have appreciated saving a few extra dollars on their insurance plan for a month. Research that we have looked at shows that states like Texas have such options. People save about $5 a month, Senators. So for $60 savings you cannot get a mammogram or not go through clinical trials or, God forbid, you develop cancer.

I do realize this is only a three-year pilot project, Senators. I didn't realize that at the time. I saw the new Amendment, but it doesn't give much comfort if you're diagnosed with cancer the next three years during the pilot program and you decide to save a few extra dollars.

Much like Mr. Blaisdell, I would caution you to remember that regardless of age or socio-economic conditions, all the mandates that are before you have been approved after careful scrutiny by past Legislatures and were deemed appropriate for inclusion by our statutes, as they were in the best interest of New Hampshire's consumers. And I thank you very much for your time. I'm more than happy to answer any questions and more than willing to work with this Committee to try to help alleviate some of these mandate omissions.

CHAIRMAN MORSE: Questions for Mike. Thank you. Stephen Habbe.

STEPHEN HABBE, Advocacy Director, American Diabetes Association: Thank you, Senator Morse, and Members of the Committee. My name is Stephen Habbe. I'm the Advocacy Director for the American Diabetes Association. I'll paraphrase written comments that are being sent around, but just to provide a little bit of background and the gentleman who spoke previously was very articulate to this end. The mandate that currently exists for diabetes coverage in New Hampshire ensures that people have the essential elements that they need for proper management of their blood glucose levels. Properly managing blood glucose levels is critical to maintain one's health when you have diabetes. This includes diabetes self-management education so one can learn how to independently manage your diabetes, equipment and supplies for checking your blood glucose levels, for administering insulin. And it's so critical because the -- what you're at risk for if you're not properly managing your blood glucose levels is a whole litany of terrible things, whether it's blindness, kidney failure, limb amputation, cardiovascular disease. Many people with diabetes end up dying from cardiovascular due to complications and we know that 8% of New Hampshire residents already have diabetes and thousands of others have undiagnosed diabetes. So there's a huge contingent of people out there in our communities that have diabetes or at risk for diabetes.

Even if you didn't currently have diabetes and opted to select such coverage, there's a good chance you're going to end up with diabetes and certainly wish that you had that coverage to help maintain your health. It just doesn't seem prudent and I know that, clearly, the effort to find lower cost solutions is one we all embrace. But I also fear that if you have that lower cost option as some people that are younger, healthier, might migrate to it, the people left behind in other insurance pools would inevitably face higher costs if those lower cost people migrated to those other plans. So I fear that there's also a risk here for people that need the comprehensive coverage, you could increase their costs through an initiative like this. So I

very much appreciate your consideration of the Association's opposition to Senate Bill 150.

CHAIRMAN MORSE: Questions of Stephen. Senator.

SEN. BARNES: Thank you, Mr. Chairman. Maybe you can help me out. I'm on your third paragraph, and I'm a diabetic. I used to take my blood sugar three times a day.

MR. HABBE: Okay.

SEN. BARNES: About a year ago, I went to the drugstore and I no longer could get that the way I'd been getting it through Medicare, because -- I don't know why, because of something. So I asked my doctor. He says, well, maybe one time a day would be taken care of and that's under Federal level. That didn't come out of New Hampshire. That came out of Washington was my understanding. So I, as a diabetic, I'm not able to go to my drugstore and get those tests strips for three times a day. So why, you know, it's got nothing to do with this Bill, I guess. That's Washington.

MR. HABBE: Sounds like a Medicare policy decision and I know we've got another person that's testifying who's a diabetes educator. She may have a little more perspective on that. But I know people's needs in terms of how often they may need the test can vary. I know some people need tests as many as ten times a day. I'd be happy to find out more for you and get back to you on that, but I don't know the particular answer to that question.

SEN. BARNES: I appreciate that. But I was just wondering how that played into this, because my thoughts were it had nothing to do with New Hampshire. It strictly had to do with Washington, D.C., and I still have candy and ice cream once in awhile in spite of not taking my blood sugar three times a day. I'm 80 years old and it doesn't make much difference, I don't think.

MR. HABBE: Well, you know, many people are able to stay healthy and manage their diabetes but many others face great tragedy.

SEN. BARNES: I do walk two miles a day.

MR. HABBE: Well, that may be part of your good condition.

CHAIRMAN MORSE: We are going to recess and invite Commissioner from Health and Human Services.

(Recess taken at 2:02 p.m.)

(Reconvened at 2:41 p.m.)

CHAIRMAN MORSE: Go back and open up the hearing on Senate Bill 150 and remind everyone we are talking about Senator Sanborn's Amendment for 0861s. There are a couple of people I missed this morning or this afternoon. The -- and I do want to let everyone know we are probably going to lose three Senators at quarter after three because they have a briefing to be at. But I will stay here with the rest of you. So Carole Poulin.

CAROLE POULIN: We defer to Michelle is going up and to speak. Is that okay?

CHAIRMAN MORSE: Okay. Is that for Noel, also?

MICHELLE ABBOTT, Hudson, NH: Noel. Good afternoon, everyone. I have also written testimony I'd like to share with all of you.

For the record, my name is Michelle Abbott, and I am a resident of Hudson, New Hampshire. And I have come today pleading that you oppose this Amendment. As well as the parents that was here earlier, Chrissy Mostrom, I'm also in a similar situation. I'm a mother of two girls. They're now seven and five years old, and they are both on the

autism spectrum. I'm a member of a family-owned business. My husband and I have our own business. And I'm also a consumer. I'd like to briefly just share some of the challenges that we have faced, specifically to my oldest daughter Sarah. She had a regressive autism at 16 months. She had no delays at this point. She had many words. She spoke. And I simply put her in the bed one day, shut the light switch off and I lost my daughter. Her language was gone completely. Her eyes were fleeting contact. She didn't chase mommy anymore and she didn't give me hugs. For all of you that have children, those hugs and kisses mean a lot, and I didn't have those anymore.

Soon after her diagnosis, which absolutely shattered my life, all the medical issues associated with autism for lot of our families happened to my daughter. The seizure -- she has a seizure disorder. That started to impact her severely. She had severe gastro-intestinal issues that we went to numerous doctors to figure out some help for her. She ended up with colitis, sensory processing disorder, environmental and food allergies facing us, this pay high prices for special diet. That she couldn't have regular food that we just buy at a grocery store, that I had to buy specific things and cook her specific meals. She had many, many illnesses hospitalizing her. Every year she was hospitalized once, twice, with pneumonias, with lung issues. And now finally she has an immune deficiency that she needs infusions every three weeks so she can stay healthy. To have a child that needs to be poked every three weeks with an infusion for three hours takes an amount of stress on her.

Sarah had intensive ABA program and early intervention up to age three. She made significant progress until she went into the public school system. The schools are crowded. The environment is loud. And for children with autism this can be very, very distressful and they don't make the gains the same that they did when they were at home in early intervention. And that's why early intervention is so important because it can impact a child.

Over the last six months, I really want to share where we are at this point. When a lot of you supported HB 569, which is also known as Connor's Law, this changed my family's life drastically. I have a great behavior ABA team. We have some family -- we have family support and training now. I have someone coming in and training me how to help my daughter. The skills that she learned at school were not generalizing out of her environment and now they are, because I have support at home, out in the community. My family now has some typical activities that we can do.

I'm sure a lot of you with young children or when you had children you went to restaurants, you went on summer vacations. You embraced those times that you had with your families, and I couldn't do any of that. For seven years I have not been able to do anything. I have been a prisoner in my own home. And now with the help of these people over the last six months since Connor's Law went into effect, I can go to a restaurant with my family. I went on my first summer vacation and enjoyed it with minimal tantrums and screaming or her hurting herself.

Sarah is starting to do so many things now. Like I mentioned, we can go into a restaurant without her screaming and tantruming. I can bring her into a grocery store, the library, or just out into the community to a park. Sarah is starting to do daily living skills now, starting to dress herself, brush her teeth by herself. She couldn't do that six months ago. The team that I have coming into my home it was 84-step process that the behavior analyst wrote for me. 84 steps that I had to do to teach her to brush her teeth alone. But I had that support and training by them to be able to teach her to do that and now she can. You know, we didn't have much -- we didn't have much hope for the future and now we do. We have some hope.

You know, we do have autism in our lives. I didn't choose this. I didn't choose for my daughter to have

autism, you know, either one of my children to have autism; but I have to walk in these shoes every single day.

We are beginning to now finally have some typical aspects in my life that all of you probably have had. Just seeing her the other day pretending to play. She's seven and a half years old and just put toys in a bus and pushed it around. You saw that with your children at two.

My family is now happy, and I am begging you not to support this bill. I know earlier it was mentioned premiums were affected a dollar thirty-seven per month per member with the insurance cost. And my husband and I own our own business and we pay for our insurance. My insurance premium is almost $2,000 a month that we are paying out-of-pocket for our insurance. And that's including for this autism to be covered as well. My insurance before July 1st when that went into effect did not go up significantly. Insurance goes up every year for everyone regardless if this Amendment was in place or not. It was $20 a month. For all the different amendments, for costs, for prices, that is not a significant amount of money that we are talking about.

I did write a full testimony talking about some of the struggles that other families go through, the grieving cycle that we go through, and I'll let you read that at your own leisure. I know you have a lot of families to talk to. But again, I please would like to oppose this Amendment. It could be harmful to my daughter's future, other families' future, some marriages and families. And I want you to know that autism is treatable. And that my youngest daughter got intensive ABA and no longer needs services. She mainstreams into school so the cost effectiveness that she mainstreams into school with early intervention is significant. She's the cost savings right there in education alone that she doesn't need supports is significant because my second daughter got early intervention beginning at 12 months of age. So I really, really plea and beg that you oppose this Amendment. Because

if you don't, it could ruin my family's life. Thank you. You have any questions.

CHAIRMAN MORSE: Questions.

SEN. PRESIDENT BRAGDON: I do have a question. Thank you for your testimony, as well as the other people who spoke with similar situations. You specifically mention that you and your husband own your own business.

MS. ABBOTT: Yes.

SEN. PRESIDENT BRAGDON: So, in reality, if this Amendment were to pass, your insurance company would still have to offer a policy that covered the autism mandate and one that didn't. So it's not like it wouldn't be available. So is your concern -- I don't know if your concern it wouldn't be available to you or that it would be priced so high that you wouldn't be able to afford it. I'm just curious.

MS. ABBOTT: Definitely it would be both. As a business owner, you don't want to continue paying skyrocketing prices. If I'm going to be close to more of a $2,000, you know, $2400 to be able to afford this, the amount of money that my family has spent out-of-pocket alone in years has been over $30,000 to give her the coverage. So I'm going to pay the higher price premium to get the coverage because if she doesn't have it, she's not going to make any gains.

SEN. PRESIDENT BRAGDON: Thank you.

MS. ABBOTT: I hope I answered your question.

SEN. PRESIDENT BRAGDON: Yes.

CHAIRMAN MORSE: Further question. Thank you. Noel.

NOEL MARCOUX, Nashua, NH: Hi. My name is Noel

Marcoux. I live in Nashua. I have three children, and again, here to oppose Senate Bill 150. Two of my children have received services that are covered under these mandates. And I just kind of want to tell you a little bit about them and tell you why I don't want you to support this Amendment.

My son Jeff is 16 years old and has many diagnoses, including chromosome anomaly, epilepsy, autism, vision impairment and arthritis. While he has many challenges, the services he received starting at the age of nine months, were an integral part of the progress and success he now achieves. Since August of last year Jeff has received special therapy services that you've heard about, Applied Behavioral Analysis, four evenings each week. His progress since August has been remarkable. The gains he has made and will continue to make with this therapy will reduce the level of need in his long-term care. That's one of my kids.

My other -- my daughter, my other child, will be 20 next week. She's a sophomore RA with a 3.7 GPA at the University of Hartford. Her success is due to her determination, dedication, and motivation. It is also due to her hearing aids she wears. Jackie has a moderate to profound hearing loss in both ears. She would not be able to fully participate in her college education or the rest of the community without those hearing aids. My fear I have similar to the man who was here about the American Cancer Society that Jackie is a young person. She might choose that low cost insurance. She might not know that there will be no coverage for her new hearing aids when they need to be replaced. That's my concern for the citizens of the state that see these products and just go for the price and don't analyze what the coverages are. And what concerns me is the transparency in this. In the Amendment it only lists the RSA numbers. I find that very troubling that the Amendment doesn't list the actual supports and benefits that it's going to affect. So I wonder how transparent this affordable plan will be.

I just want to say that I would like you to oppose SB 150. Thank you.

CHAIRMAN MORSE: Questions. I don't think there's a mandate that's not listed. I think --

MS. MARCOUX: Well, the RSAs are listed but it's not looked in. You have to go do the research to what those RSAs are. I think that's the transparency that's not there is that you have to go into the leg work. My concern is if a policy is written it's not going to say and these coverages that every other insurance plan has offered in the state has. So the people aren't going to make informed decisions, because it's not going to say these aren't covered. Are you aware of that? That's my concern.

CHAIRMAN MORSE: Hopefully, this Committee will make an informed decision. Thank you.

MS. MARCOUX: Thank you.

CHAIRMAN MORSE: Doug McNutt. Doug, I just want to tell you, you can offer me a bag and I'm still not going to join AARP.

DOUG MCNUTT, Advocacy Director, AARP New Hampshire: I'm sorry to hear that, Senator. Probably only because you're too young, I'm guessing. Thank you very much Senator, Members of the Committee.

For the record, my name is Doug McNutt, and I am the Advocacy Director for AARP in New Hampshire, and I really won't take up much of your time. I have really three or four quick points. One is our concern is this will create an adverse selection in that the people who need the mandated plans will be in them and a lot of younger, healthier people may not be in them. Even over a three-year period that will have a tendency to raise the rates for those in the other plans. It's not clear and maybe I just haven't read the Amendment well enough to know would

employers be required to supply a mandate plan in addition to a mandate-free plan. That would be -- that would go to some of the questions that you've been asked with regard to some of the people who already testified. And I think just as a general purpose, insurance is really something that is meant to cover people so that there would be a pool. So that we would balance sick people with those who aren't sick. And if you have a plan for younger people that doesn't include all these coverages, how do they know if they're going to get diabetes? How do they know they're going to have cancer? How do they know that they're going to need coverage for these issues? The fact of the matter is they probably -- I mean, they can't really. So those are the concerns that we have and for those reasons we oppose the Bill.

CHAIRMAN MORSE: Questions for Doug? Thank you.

MR. MCNUTT: Thank you.

CHAIRMAN MORSE: Is Jennifer Patterson still here?

JENNIFER PATTERSON, ESQ., LAH Legal Counsel, Department of Insurance: Yes, here.

CHAIRMAN MORSE: Jennifer, I think at this point before I lose half the Committee, probably want to ask you some questions.

MS. PATTERSON: Thank you, Mr. Chairman, Members of the Committee. I'm Jennifer Patterson. I'm the Life Activity Health Legal Counsel for the Insurance Department and I have with me Tyler Brannen who is the Health Policy Analyst. And we are here primarily to answer questions and that's why I brought Tyler.

CHAIRMAN MORSE: Let me ask you the first question because it was stated upfront that you're here in support of this legislation.

MS. PATTERSON: I'm sorry, Mr. Chairman. What I had intended to do when I signed was to sign up neither in support nor in opposition for informational purposes.

CHAIRMAN MORSE: You didn't sign up in support or opposition, but it was stated that you were in support so --

MS. PATTERSON: I'm also -- I didn't mention -- beginning we have a letter from Commissioner Sevigny that we are passing out and I'll just summarize briefly what's in the letter; but to answer your question, Mr. Chairman, the Department was very concerned about the original version of Senate Bill 150 because essentially it would have allowed out-of-state health insurers to conduct business in New Hampshire without being regulated by the Department and there wouldn't be any consumer protection, solvency protection, any of the other protections that are typically conducted by the New Hampshire Insurance Department. So Senator Sanborn asked us to work on this Amendment and we did in an effort to deal with that regulatory issue. And basically making sure that any insurers conducting business in New Hampshire were fully regulated by the Department. So this Amendment does address those concerns.

It raises some other concerns that some of the other speakers have touched on, particularly with respect to adverse selection and the impact on the market as a whole. Obviously, there are also issues that people feel very strongly about with respect to the mandates. Typically, the Insurance Department does not take position one way or another on mandates. We do have a mechanism whereby we can do research on the cost of a mandate, but typically we don't take a position and we are not on this Bill taking a position on the mandates specifically.

I think some of the information that's offered in the letter just briefly, we did look at what some other states had done with mandate light types of programs similar to

this one. In Utah and Arizona, they have offered mandate light programs but to avoid some of the risk selection problems they have been limited to in Utah a substitute for COBRA or continuation coverage. And in Arizona the mandate light program was limited to people who had been without health insurance for at least six months. So that's just some information on what other states have done. Again, I'm summarizing the letter. I'm leaving a big hole because Tyler is going to speak to the risk selection.

So there's a couple other points that we did want to raise and that are touched on in this letter are the possibility that some of the coverage mandates might be required by Federal law as Senator Sanborn mentioned when he presented the Amendment. He did add language that addresses the possibility and basically says an insurer couldn't exclude a mandate if it was required by Federal law. There may be other concerns and it's kind of outside the realm of the Department. There may be other State law provisions, maybe Constitutional provisions, I don't know. We haven't looked at those issues. And then there's another issue that may come up down the road as to whether insurers would be legally entitled to charge different prices for the two different types of coverage. And I think Tyler will be able to speak briefly to that. So with that let me turn it over to Tyler. And again, we'd be glad to answer any questions the Committee may have.

<u>TYLER BRANNEN, Health Policy Analyst, Department of Insurance</u>: Just a few clarifying comments first based on what's been offered already. We tend to think of mandates as applying to the small group market only. But that's because the small group is almost entirely fully insured. There are those substantial number of fully insured lives in the large group market as well. So almost 40% of large group is actually fully insured and also subject to the mandates.

To the extent we think about the competition of insurers in New Hampshire bringing new companies into the

state, I'm not sure that mandates are a significant issue on that front. What we believe are going to be more significant issues are the cost of developing a network in the state so a series of providers that the patients can go to, as well as the fact that there's a premium tax in the state and some others there are not. So those may be more significant issues.

We do commend Senator Sanborn for focusing specifically on the mandates and trying to create a more affordable option specific to mandates and does not do away with various other regulations that is in place to protect consumers.

In terms of why New Hampshire insurance premiums are more expensive, there may be a lot of reasons; but some of them may be much more innate to the state. One of the things that drives insurance premiums is the average age of members. New Hampshire has an older population. So that is one factor. Benefit richness is another factor that drives premiums. To the extent we have richer benefits, we are going to have more expensive insurance. And finally, the prices we actually pay for health care services. There is evidence that we pay higher prices for hospital and physician services in New Hampshire than elsewhere. Those costs are also going to drive insurance premiums.

To the extent you're thinking about mandates and adverse selection, one of the advantages of this Bill is that it includes all mandates under service exemption. If you start to break them down, to the extent that people are interested in the coverage, they'll buy insurance when they think they're going to need it. As a man you might not want to buy maternity coverage if you don't think you're going to use it and you probably won't. And, indeed, in the individual market you can buy a rider for maternity coverage or you can pass on it. So guess what the cost is of that maternity coverage? It's almost equal to what you would pay if you didn't have insurance coverage. So I think those are the primary points that were brought up.

There was a question about catastrophic coverage and the way our insurance markets are you do have relatively rich benefits in a small group market. When you go into the individual market where, in fact, actually some mandates do not apply, such as contraception, you do see much weaker benefits and much lower premiums. However, they are not proportional. To the extent you see premiums that are half as much as what we might see in a small group market, the actual value of those benefits is substantially less. Perhaps only 20%. And one of the other things that --

CHAIRMAN MORSE: Tyler, can you backup on that?

MR. BRANNEN: Hm-hum.

CHAIRMAN MORSE: It was stated just the opposite when we heard testimony. It was basically stated that a small group is at a disadvantage because they have to fully be covered. You just stated just the opposite.

MR. BRANNEN: Well, when we are talking about fully insured markets, we are talking the small group. To an extent a large group but a majority of the large group is self-insured. And then there's the individual market. There are different mandates in some cases for the individual market and small group market. In most cases, the small group is more comprehensive with the mandates and then there's some exceptions on the individual. Contraception services is one of those things that is a mandate for small group but not the individual market.

To the extent we look at premiums actually between those, that large group self-insured and the fully insured markets, the premiums are actually quite similar. So to the extent you think of doing away with the mandates is going to result in automatic deduction of premiums, there is some evidence to suggest that's not the case. However, what we do see is that the value of the benefits on that fully insured market are substantially less in the large group.

So, in other words, there's higher cost sharing, but fewer services perhaps covered, that kind of thing; but, in effect, the premiums are actually quite similar.

CHAIRMAN MORSE: Senator Barnes.

SEN. BARNES: Thank you, Mr. Chairman. You folks have been here for most of the testimony this afternoon on this Amendment, haven't you?

MS. PATTERSON: Hm-hum.

SEN. BARNES: I guess the question I'm going to ask you is do these folks that have all had the concern about this, are those concerns something that could be addressed with more work or is there concerns that really maybe they don't fully understand what this Amendment is?

MS. PATTERSON: You want to answer that?

SEN. BARNES: Can you alleviate their concerns?

MR. BRANNEN: I don't think so.

SEN. D'ALLESANDRO: I think that's a little difficult question for these guys to answer.

SEN. BARNES: Well, the Insurance Department sat down and helped put this Amendment together. I see that here in this piece of paper. So what I'm asking is, is there something further that we can work on in the Insurance Department that can help the Committee do something to alleviate some of the problems these folks have had that have testified?

MS. PATTERSON: I'll try to answer the question, Senator Barnes. As I said at the beginning of my presentation, the Department typically doesn't take a position on mandates, although we can look into what the cost of mandates may be. When we actually drafted this

language, we were basically responding to what Senator Sanborn asked us to do when we compiled the list of mandates. He wanted the mandates to be there and so they are there. I think there's certainly, as the testimony you heard today, there's a significant public policy issue about mandates, and it's something that the Legislature could consider either in the context of this Bill, in the context of another Bill. But, I mean, it's certainly an issue. I don't know if it's an issue for the Department as much as maybe for the Legislature.

SEN. BARNES: Thank you very much for that comment.

CHAIRMAN MORSE: Senator Bragdon.

SEN. PRESIDENT BRAGDON: Thank you, Mr. Chairman. Two questions. I guess I'll ask the simpler one first or the simpler one for me to understand, first of all. The answer may be more complicated. The assertion is that one of the reasons for the high cost for insurance for, well, maybe everybody is the cost of all these mandates. So the simple question, which I'm sure the answer is not simple, is there's 43 mandates listed here. What is their cost?

MR. BRANNEN: The NAIC has projected a high level of 5% of premium for mandates.

SEN. PRESIDENT BRAGDON: Kind of a nationwide average?

MR. BRANNEN: Looking, yeah, at high end.

CHAIRMAN MORSE: When you say -- I'm sorry.

SEN. PRESIDENT BRAGDON: Go ahead.

CHAIRMAN MORSE: When you say that, is that because most of the mandates that everybody is entitled to? 'Cause you're saying only 5%.

MR. BRANNEN: Five percent of the premium would be

loaded up based on the greatest number of mandates in a particular state.

CHAIRMAN MORSE: But you earlier you had mentioned legally entitled to and Federal law may have some regular mandates. Is that because out of those 40 something mandates some portion of them already have to be covered by every policy anyway?

MR. BRANNEN: Because of Federal laws? I don't think so.

CHAIRMAN MORSE: Okay.

MR. BRANNEN: I don't think that's included here.

SEN. PRESIDENT BRAGDON: And that 5%, is that nationwide or just applicable to New Hampshire?

MR. BRANNEN: It's not based on New Hampshire. It's based on looking at all of the states and looking at kind of the maximum impact.

SEN. PRESIDENT BRAGDON: Okay. Thank you. That's good to know. And then can I ask another question?

CHAIRMAN MORSE: Sure you can.

SEN. PRESIDENT BRAGDON: I apologize for this. I really didn't understand a few things you said about why there's a difference between self-funded and 50 employees and more versus 50 employees or less. You talked about fully insured and blah, blah, blah, blah insurance words. If you'd help me out.

MR. BRANNEN: Okay. I apologize for that. I'll try again. Just in terms of the markets when we talk about the large group market and small group market, the small group market is 1 to 50 members. Anything beyond 50 is considered large group. It's a little bit of an anomaly to the extent

is that we think of a group of one being the small group market whereas individuals are also essentially one. So to that extent you actually see adverse selection against the small group market for groups of one because it's community rated, whereas the individual market is medically underwritten so healthier people can get cheaper insurance in the individual market. If you're sicker and want better insurance coverage you tend to go to small group market.

The large group market is often filled with self-insured employer counts which are not subject to our insurance laws. So to that extent, they're not subject to the mandates. However, I think it is a misperception that all of the large group market falls into that self-insured category and not subject to the mandates. Indeed, close to 40% of the members covered by accounts in that large group market are, indeed, in accounts that are fully insured and subject to insurance laws so is subject to the insurance mandates.

SEN. PRESIDENT BRAGDON: Repeat that part or maybe 40% of who, employees?

MR. BRANNEN: Almost 40% of the large group members. So I'm talking about folks covered by large employers in general. Those with more than 50 members. But these employers have decided not to be self-insured. They purchased insurance in the traditional sense, which means they need to -- they need to purchase insurance that includes mandated coverage for many of these benefits.

SEN. PRESIDENT BRAGDON: Follow-up. Those mandates come from the State or the Feds?

MR. BRANNEN: Right, these are mandates that are State insurance laws and what this Amendment would exempt those accounts from having to comply with.

SEN. PRESIDENT BRAGDON: Both small and large accounts then would be exempt under this?

MR. BRANNEN: Right, right.

SEN. PRESIDENT BRAGDON: And then why aren't -- you said self-insured don't have to follow the mandates. Why is that?

MR. BRANNEN: Right, because the Insurance Department insurance laws don't apply to employers.

SEN. PRESIDENT BRAGDON: Because they're not buying from insurance companies, they're their own insurance company.

MR. BRANNEN: Right, they're self-insured.

SEN. PRESIDENT BRAGDON: Thank you.

CHAIRMAN MORSE: Further questions? Let me try to understand. Let me just finish while I'm flying. In this legislation there will be an L group and a mandate group. By 5%, just in a general question, does this mean that it will be a thousand dollars for the person that was loaded up and it be $950 for the person in the L group? Just a simple answer.

MR. BRANNEN: Right. If you're doing the math based purely on the benefit design, yes. That's a reasonable assumption.

CHAIRMAN MORSE: So are we attacking the right problem?

MR. BRANNEN: Good question.

CHAIRMAN MORSE: Just a thought. Senator Odell.

SEN. ODELL: That question was right on the mark, right on the mark.

SEN. PRESIDENT BRAGDON: I have one if he doesn't.

SEN. ODELL: No, I'm done.

SEN. PRESIDENT BRAGDON: Following up on that. So the fully loaded one is a thousand dollars, let's say, and the L version is 950 per month. I guess that's probably not for an individual level. I suppose it could be. You offer that difference. You're going to see though some people then start leaving the thousand dollar a month group, go into 950, and so your 950 may stay the same but your thousand probably isn't going to stay at a thousand because the healthier people are no longer there. So the cost is spread amongst the smaller group so it might grow to 1100 which then increases the people. So it won't stay at a $50 difference.

MR. BRANNEN: That's the Department's main concern.

SEN. PRESIDENT BRAGDON: Yep, thank you.

CHAIRMAN MORSE: A real bright group today.

SEN. ODELL: Three o'clock in the afternoon on Thursday.

CHAIRMAN MORSE: Senator Forrester.

SEN. FORRESTER: Thank you for your testimony. So back to Senator Morse's question about a thousand versus 950 and you said based purely on benefit design that would be true. Is there something else?

MR. BRANNEN: Yes. Exactly what he was describing could happen is if you end up seeing adverse selection in one market, you end up with healthier in one slot and the sicker in another and from there the cost can be quite different.

MS. PATTERSON: Because over time the premium changes based on what actually happens with that group.

SEN. PRESIDENT BRAGDON: Two minutes. Question will take 30 seconds. Five percent was kind of a ceiling from NAIC. I assume they used the most mandates that any state has or that somebody has all the mandates. Do you know where we fit in in terms of scale of 1 to 10 where our mandates fit in with ten being most?

MR. BRANNEN: Shooting from the hip I think it's around seven.

SEN. PRESIDENT BRAGDON: Seven. Okay.

MR. BRANNEN: I could be wrong.

SEN. PRESIDENT BRAGDON: Okay.

CHAIRMAN MORSE: You don't dare ask another question. Go ahead.

SEN. GALLUS: I can't help myself.

CHAIRMAN MORSE: Must be something in the North Country you can ask about.

SEN. GALLUS: I think overall our total concern is the ability to control costs somehow so that people can have affordable healthcare. I mean, no one wants to see things go away. We want to have the best package possible at the least cost. And I think to some degree when you talk to a lot of small employers or small businesses or individuals, we've been looking at double digit increases a year. You know, every year consistently. And probably in some years much more than that. That's the issue. What's the silver bullet to control those costs, I think, is what we are looking at somehow and we are hoping for that, you know, thing to arrive out of the sky and we were hoping that perhaps Sanborn's Bill and Bradley's Bill or something of that nature. When do we get this thing under control before no one has any insurance? I know, you know, in my district I have a lot of poor people in some of the areas

of my county who are under insured or not insured at all. They were insured when we had the major employers there at the paper mills who, you know, they were well paid and the benefits packages were good. But since that time, you know, I have small hospitals in the rural areas that don't have anybody carrying insurance anymore or not many because the major employers have left. And so the guys that are left, the small businesses that are left continually, you know, see these double digit increases. And what I find is I get small businesses with 20 or 40 or 50 employees who have had their people insured for 20 or 25 years who have cancelled the insurance totally because, you know, they are giving everybody a dollar an hour raise or something else in hopes that they can find their own coverage only because their bottom line in the company is not the increases that they're getting out of their insurance company. I mean, is there any -- I guess I'm looking for the wrong thing here. I don't know.

MR. BRANNEN: It's --

SEN. GALLUS: Give me the answer. Write it down.

MR. BRANNEN: It's certainly a loaded question and one that people don't agree as to what the answer is. I think that I'm stating the obvious to the extent that when I say that people don't have enough trust in government to do it. We also don't have enough trust in providers to do it. If you remember capitation during managed care, there's incentives for not providing as much care as needed, that kind of thing and, of course, the providers have been mostly in control as costs have gone up over the years. I think it's going to fall to the member and the patient to try to act more as a consumer if costs are going to be reduced and the Department has supported a lot of efforts to try to engage the consumer more in terms of looking at the price of health care services, including our health cost Website which tells people that.

SEN. GALLUS: Just one little follow-up. I think to

some degree there's such a major issue. I think what you need is and we have had that happen a couple of times is when you have people come to the table and you have the attorneys sitting in the room and you have the, you know, the health care providers themselves, the doctors, the hospitals, the pharmaceuticals, everybody involved in the process, you know, something has to be done with a whole group of these folks that come to the table and help with suggestions to lower those costs so in the end rate it lowers those rates for insurance costs somehow. I mean, I don't -- I don't think we have ever addressed the total problem. I mean, we want the best possible coverage for our constituents. I don't think there's anyone here at the table that wants to see one of our constituents in the State of New Hampshire go without health care and/or to see those issues. I mean, I have the issues when I'm calling Health and Human Services and I have to call Commissioner to get somebody a hospital bed somewhere who's under covered or under cared for and that shouldn't be happening in this day and age in the State of New Hampshire or in America. So I think we are all concerned about that. And so I don't know. Thank you, Mr. Chairman. I'm through.

CHAIRMAN MORSE: Thank you very much. We are all set there. There's a couple of you need to go to Fiscal briefing. That leaves two of you with me.

How about AARP? Again, Bob Denz.

MR. MCNUTT: He's not still here.

CHAIRMAN MORSE: Thank God. He probably took my bag and went home. Something Rogers.

PAULA ROGERS, Government Relations Officer, Anthem Blue Cross/Blue Shield: Paula.

CHAIRMAN MORSE: Okay.

MS. ROGERS: Thank you, Senator Morse. For the

record, my name is Paula Rogers, and I'm Government Relations Director of Anthem Blue Cross and Blue Shield. And I signed up in opposition to Senate Bill 150 as introduced, and I actually have not seen the Amendment, the latest one. I've seen some iterations of it. But I did hear Senator Sanborn go down through what it represents, and we take no position on the Amendment. But I wanted to inject one thing that hasn't been brought up. I thought the Insurance Department discussion was helpful. Whether this Bill if it were to pass would have any practical effect. And the reason I bring it up is because the implication of the Amendment is that this sort of Plan L would be appealing to carriers and so just to give you a sense of what the broader environment is for carriers at the moment.

We are all trying to cope with the Affordable Care Act. I know some legislators believe that the Affordable Care Act will never come to full fruition or if it comes to fruition, it will be somewhat fragmented. We heard carriers did and the general public received a bulletin from the Federal Health and Human Services Secretary regarding something called Essential Benefits and you probably heard the term. And Essential Benefits are standards that are going to be imposed on all carriers and the products they sell nationwide, if the Affordable Care Act comes to the floor in its entirety. And those Essential Benefits are probably going to require a pretty substantial range of coverages.

Interestingly, we expected that we would get a more discrete description of what we were going to have to be covering. And, in fact, what the Federal Government did through the Secretary of Health and Human Services was direct each state to look to benchmark plans within each state and they were to use the most -- the plans that had the highest enrollment, and they would just start looking at that January 1st of this year. So in 2012 there was to be a selection of an arrangement -- an array of three plans, the most heavily populated, and those plans are going to be

the benchmark for Essential Benefits. So, in fact, there's a lot of uncertainty about what an Essential Benefits Plan, a qualified plan is going to look like. And that will be whether it's sold outside of an exchange and I hate to even to bring the word up in this environment, or inside an exchange. So I'm curious about whether a company, local or national, would have enough time as they're struggling with what's going to happen in 2014 to actually say, you know what, this makes great sense. It's voluntary. It doesn't say you shall write a plan that is Plan L. It's voluntary. And it's hard to say. But my sense would be there are so many other things to contend with in the insurance market at the moment that embarking on a new plan might take six months to develop it. It would have to go through the Insurance Department for approval and you're well into 2013.

And so, practically speaking, I just wanted to inject that in the conversation. I think that Senator Sanborn and Senator Bradley, like all of us, are trying to come up with some mechanism, some market dynamic, that will make a difference in the cost challenge. And while it's a good effort, I really think, practically speaking, it might not bring forth the kind of rewards that it might seem to promise.

CHAIRMAN MORSE: Questions. Thank you.

MS. ROGERS: Thank you.

CHAIRMAN MORSE: Don.

DONALD PFUNDSTEIN, MVP: Thank you, Mr. Chair. For the record, my name is Don Pfundstein and very candidly I don't think I have anything further to add to this discussion. So I would yield and simply say we are opposed to the Bill as originally introduced and I, too, I guess, am agnostic on the Amendment. Thank you, Mr. Chairman.

CHAIRMAN MORSE: Hopefully, everybody is agnostic from

here on in. Lisa Kaplan Howe.

LISA KAPLAN HOWE, Policy Director, New Hampshire Voices for Health: Fortunately, I'm not agnostic; but I will be quick because much of what I was going to say has been said already.

My name is Lisa Kaplan Howe. I am the Policy Director at New Hampshire Voices for Health. We are a non-profit consumer advocacy organization. We convene a network statewide where other organizations like ours, but also the small businesses and individuals and across the state with our partners, we represent over 375,000 people.

The testimony that I provided to you provides more detail on our concerns, both about the underlying Bill and the Amendment. I've also attached a fact sheet from the National Association of Insurance Commissioners that address issues that have been raised about the Amendment, but also the underlying bill that I thought you might find useful.

We have significant concerns, many of which have been shared already. And I just wanted to quickly just add a bit of information. I won't repeat what others have said. You heard about the NAIC estimate of how much mandates cost and how much it would save. I just wanted to add to that that Texas has an annual survey where they look at their mandated benefits. They have a comparable number of mandated benefits as New Hampshire. And they found that those mandates increased their cost of coverage by less than 4% or $11 per month. They, too, have mandate-free plans that are available and they are less than 3% less than other plans. So that's 5 to $9 a month. And I think part of that is due also we have to look longer term. So when people go without needed care, maybe it costs less because they're not getting that care; but in the longer term as you've heard a lot of people allude to, they may have more significant health care needs.

Senator Sanborn mentioned wanting to have more options for people, and I just wanted to kind of dovetail off what people have been saying about adverse selection concerns. What we may see is that people have fewer options. Certainly, people who want to buy comprehensive coverage because as you were discussing just a little while ago, the cost of that coverage will go up significantly and they will be priced out of it. Also, as other people have mentioned, employees won't have an option. So they are offered only a mandate-free plan. They will have no option other than to either purchase that plan or go without coverage.

Jennifer from the Insurance Department mentioned a couple of other states that have similar laws. North Dakota and Minnesota also have similar laws that I think are maybe closer to the Amendment that was offered that are widely available to anybody. No carrier has offered those plans. North Dakota had the law on the books since 2001, Minnesota since 2005. So in the more than or nearly ten years they have been offered and that may get to what Paula Rogers was just speaking to.

In Texas where the plans are offered, the vast majority of people who purchase coverage, 88% are still in the comprehensive plans because those are the plans that people want.

Finally, I just wanted to mention, you've heard a lot about the impacts on families and on people. If the cost of comprehensive coverage gets so great due to this proposed legislation that they can't afford it, there's also a societal impact. If you -- I know that you're all very aware of the cost that faces people with insurance and also the State due to cost shifting. When people don't have access or don't have coverage for the care that they need, they still need to get that care. And if they go and get it and can't pay for it that cost just gets shifted across the system. So those are just the things that I wanted to point out. As I said, there's more detailed testimony in

the document I've shared. And we would certainly share the goal of trying to make coverage more affordable for consumers and families and small businesses and would welcome the opportunity to be part of any conversation to figure out the best way to achieve that. So thank you for your time. I'm happy to take any questions now or going forward.

CHAIRMAN MORSE: Questions for Lisa? Thank you. We may take you up on that.

MS. KAPLAN HOWE: Thank you.

CHAIRMAN MORSE: Jeff Dickinson.

JEFF DICKINSON, Advocacy Director, Granite State Independent Living: Bear with me as I navigate my way here. Thing drives like a truck.

Greetings, Chairman Morse, Senator Barnes, and Senator Forrester. I appreciate the opportunity to speak to you today. For the record, my name is Jeff Dickinson, and I'm the Advocacy Director at Granite State Independent Living, representing folks with disabilities throughout New Hampshire and those who are aging as well. And I do have some written testimony. I just want to make a few brief points, and then I'll just handout the testimony for the rest of the information I wanted to relay to you.

I'm here in opposition to SB 150 as amended. We at GSIL believe that its passage would create what some here have called in the insurance industry and policy areas have called adverse selection. From our perspective, we would call it discrimination. The fact of the matter is we feel that this Amendment would encourage discrimination by health insurers against New Hampshire citizens, require certain types of medical testing, treatment, or equipment. It would encourage discrimination against people who are deaf or have hearing loss by not requiring coverage of hearing aids. It would encourage discrimination against

children with autism and other developmental disabilities. It would encourage discrimination against women for particular treatments that our wives and mothers and others in our lives may need. It will encourage discrimination against those seeking treatment for mental health conditions; and indeed, from our perspective, if you look at the mandates that are covered by this Bill and it would be repealed -- well, not repealed -- but impacted by this Bill, it really reads as a laundry list of, I guess, what you could consider, quote, unquote, minority groups for lack of a better word who would have their health care potentially impacted by not having these mandates in place anymore. And we just feel that this Legislature shouldn't pass legislation that has the potential to promote that kind of discrimination.

I understand that in order to offer a plan without this coverage in this state, they also would have to offer a plan with coverage of these mandates. But I think that does raise some problematic issues which have already, to some extent, I think, been raised and that is that one of ways that the cost of those more expensive treatments and medical procedures that is covered is by spreading it out over a wide group of people, many of whom are healthy and don't have those expenses. You know, our fear certainly is that by telling insurers, well, you can offer a plan that doesn't have all these mandates but you have to offer one with it, our concern is that there's really no way to control cost of what that plan with mandates could wind up rising to as that plan becomes, as it were, heavy with folks who have the more expensive or the more in-depth needs that they may have.

So I think on a philosophical level that's one of our reasons for opposing it. I think the other reason is that if you look at the history of why these mandates are on the books, the fact of the matter is as folks said earlier today it's a result of a lot of work by a lot of people, a lot of blood, sweat, and tears, and frankly, a lot of work by former legislators that in the end, you know, were

convinced that this made sense to have these mandated benefits there. And so to some degree this feels like it's going sort of against that or back on that.

And I think the final point that I would just make is that it's a little disappointing, from my perspective anyway, that such a big policy decision is being put into a Bill that originally, at least from what it was initially written up as, was not intended to do what the Bill now does as amended. This really seems to completely alter what the original impact of the Bill was. We feel like by doing that it's given the public less time to have input than would be ideal. And we just believe that there may have been a more transparent way to do this where there was more time.

So I would just close by asking that you continue asking the great questions that I heard in the Committee today. It's heartening to hear them. And in the end, I hope that you will choose to vote SB 150 inexpedient to legislate. Thank you.

CHAIRMAN MORSE: Questions for Jeff. Thank you.

MR. DICKINSON: You're welcome. And I will leave my written testimony up here if somebody would come up and put that around for me. Thanks.

CHAIRMAN MORSE: Amy Pepin.

AMY PEPIN, Policy Director, New Futures: I'm coming. Thank you very much. I'm Amy Pepin. I'm Policy Director with New Futures, and I just want to speak to several points that you've not yet heard.

New Futures is a non-profit, non-partisan organization. We seek to reduce alcohol and other drug problems in the State of New Hampshire. New Hampshire in 2002 added minimal substance abuse treatment mandate for lack of a better word, requirement for New Hampshire

insurance. It was determined at the time that the cost would be minuscule, about 50-cents per person per month and that the benefits would be extraordinarily high. We know the cost of untreated substance abuse problems to the State of New Hampshire and directly to the State Budget. You know how it impacts Corrections. You know how it impacts Safety. You know how it impacts other health care costs. Imagine how that impacts the local community responding to domestic violence, et cetera. We know how it impacts children, how it impacts costs in the education system, et cetera, et cetera.

The other thing that I wanted to point out, however, was the cost to employers of untreated substance use. Folks with substance abuse disorder problems that are untreated have higher rates of absenteeism, higher rates of accidents on-the-job, higher rates of job turnover requiring new training, et cetera, et cetera. We all know how expensive it is every time you hire someone new. So I simply wanted to point out -- have the opportunity today to point out the efficiency of having substance abuse disorders covered in the law for employers and for the entire State of New Hampshire's budget. Thank you.

CHAIRMAN MORSE: Questions. We are getting tired.

MS. PEPIN: I know. I tried to be quick. That was pretty quick.

CHAIRMAN MORSE: Thank you. John Richards.

MR. MCNUTT: I think he's gone.

CHAIRMAN MORSE: Ken Norton.

KEN NORTON, Executive Director, National Alliance on Mental Illness: Thank you, Mr. Chairman, Members of the Committee. My name is Ken Norton, and I'm the Executive Director of the National Alliance on Mental Illness, the New Hampshire Chapter. And I'm here today to speak in

opposition of Senate Bill 150. I also have a family member who has mental illness and would just make a few brief comments that last month there was a report issued by the U.S. Substance Abuse Mental Health Services Administration indicating that one in five adults in the U.S. has a diagnosable mental illness and that up to 12% of children suffer from depression. And this is consistent with what research has already known. We know that mental illness can occur regardless of gender, race, or socio-economic status. We also know that certain groups are very vulnerable to psychological stress, such as veterans. The Rand Report in 2008 indicated that one-third of our troops returning from deployment report psychological distress.

What's often not discussed about mental illness is that like any other untreated medical condition, untreated mental illness can result in death. The Center for Disease Control indicates that 90% of the suicide deaths in the U.S. are the result of mental illness or substance abuse disorders. In New Hampshire, suicide is the second leading cause of death for individuals age 15 to 34, and the fourth leading cause of death for individuals between the ages of 35 and 54. Mental illness often co-occurs with other medical conditions. There's a very high correlation between heart disease, diabetes, cancer, and depression, and outcomes for those medical conditions are much improved when the mental illness is treated simultaneously with that medical condition.

Research has also clearly demonstrated that mental illness is a biological disorder and can be treated effectively. But unlike other medical conditions, studies show that less than 40% of individuals with mental illness seek treatment. The number is slightly higher for our veterans, about 50%. Most people report cost is the primary reason for not getting treatment, but some also cite the stigma and shame associated with mental illness.

This Bill will allow insurance providers to opt out of benefits for mental illness as a whole and substance abuse

disorders as well. And the question, just following Jeff Dickinson's testimony, this seems to me very clear discrimination. Why was mental illness selected as something that insurers cannot cover? Would we ever do that as a whole for cancer or for heart disease or for another medical condition? And why do we believe that it's acceptable to exclude that as a medical condition? Changing the law to allow certain illnesses to be excluded from health care plans is encouraging employers and individuals to play Russian roulette with their health. No one should be forced to spin the healthcare wheel in the hopes that they don't end up with an uncovered illness.

Thank you for your patience and for your service to our state.

CHAIRMAN MORSE: Questions. Thank you.

MR. NORTON: Thank you.

CHAIRMAN MORSE: Liz Kennett.

LIZ KENNETT, Granite State Diabetes Educators: Thank you, Senators. I would like to let you know, first of all, that I am here representing the Granite State Diabetes Educators. I am a diabetes educator. I have 36 years of experience in the field, going on 37 years of experience in the field, and I was part of the group that helped form the original mandates to cover diabetes self-management training in the State of New Hampshire.

I would like to let you know that as a diabetes educator I have seen many individuals that have benefited from that mandate. Just in the interest of time, I would like to go to the latter part of my testimony in which I talk about what diabetes educators do. As a diabetes educator when I first started in the field, I was teaching people how to boil syringes and how to remove burs from needles in order to manage their diabetes more appropriately. That is not where diabetes is in the State

of New Hampshire today or nationally for that matter. We are now teaching people to use equipment that is sophisticated equipment. This is an insulin pump. It's not every individual with diabetes that needs to use this kind of equipment; but where is that knowledge going to come from if, in fact, we remove the mandates for diabetes self-management training in the State of New Hampshire.

Every individual with diabetes needs to take knowledgeable action frequently throughout the day based on information learned through testing their blood sugars, as Senator Barnes was talking about a little bit earlier, and also symptom awareness. Learning how to make a change in treatment plan requires accessible, affordable education, and that includes for everyone in New Hampshire with diabetes.

The evidence is overwhelming that diabetes self-management training taught by a professional qualified diabetes educator, in fact, reduces healthcare costs and improves lives for those individuals diagnosed with diabetes. A retroactive -- a three-year retroactive claims analysis that was actually sponsored by the American Association of Diabetes Educators, it included 250,000 Medicare beneficiaries. And, in fact, there were cost savings associated with diabetes self-management training. The ability to obtain education would be jeopardized if insurance companies don't have to comply with New Hampshire State mandates for coverage of diabetes self-management training, and I truly believe this is a classic example of how an ounce of prevention, which we would have if we maintained these mandates, can result in a pound of cure.

CHAIRMAN MORSE: Thank you. Questions. No diabetes questions.

SEN. BARNES: No diabetes questions. Get out there and walk and it be a big help.

MS. KENNETT: That we always do.

SEN. BARNES: Go walk.

CHAIRMAN MORSE: Thank you.

MS. KENNETT: Thank you.

CHAIRMAN MORSE: Is there anyone in the audience that I missed?

AMY RHEAUME, Derry, NH: To speak?

CHAIRMAN MORSE: To speak.

MS. RHEAUME: Yeah, okay. I'm sorry. I'm still new at this. Second time. My name is Amy Rheaume from Derry, New Hampshire. I sent an e-mail yesterday regarding the part of this mandate taking away the coverage for early intervention and ABA therapy. That's the testimony of my life. My son was two and he started receiving speech and language therapy. If it wasn't for the skilled speech and language professionals from Easter Seal, he wouldn't have started to be able to speak before preschool. When he started preschool, noticed he had some sensory issues and lacked interest in others and kind of started showing the signs and symptoms of autism. He was diagnosed last year but the early intervention and the pre-school and the services he received got him to where he is today. He's in a typical kindergarten classroom in Derry. He doesn't need assistance. He's not in a substantially separated classroom. He needs the ABA therapy covered by Connor's Law, but I'm one of those self-funded plans. But he is where he is today because I've been in the field of ABA for 12 years. So my whole life is running my son's behavior program. So I'm also here as an advocate for others who need these services.

I know that if I didn't have the experience that I have to help my son that he could also be an out-of-district placement. I know there's a lot of kids in Derry that aren't served that didn't get early intervention

and aren't being served in Derry because they're too difficult to handle because they didn't have early intervention therapies. Birchtree in Portsmouth costs 85,000 a year. Melmark in New England is 98,000. New England Center for Children is 122,000. Those are the rates of what it costs for an out-of-district placement when a child does not receive early intervention. So it's just very informed. I wanted to advocate saying how blessed I was to have those services for my children and I want to make sure other kids get it, too.

CHAIRMAN MORSE: Well, thank you for saying 'cause your name was on earlier and I called it in the beginning but I'm sorry.

MS. RHEAUME: Oh, sorry. I had to teach the Early Intervention Coordinator is what I do. I do the ABA therapy in Nashua for kids with autism, and they come to me and they don't talk. They grunt. And six months later they can have a conversation and pay attention and enter pre-school with other typical children. So I agree with Chrissy Mostrom and Michelle Abbott's testimony as well.

CHAIRMAN MORSE: Well, thank you for coming, Amy.

MS. RHEAUME: Any questions?

CHAIRMAN MORSE: No, thank you.

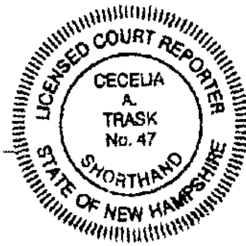
MS. RHEAUME: Thanks for having me.

CHAIRMAN MORSE: How'd we do? We got everyone? Okay. We'll close the hearing on Senate Bill 150.

(Hearing concluded at 3:44 p.m.)

CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.



Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47

Speakers

1

SENATE FINANCE COMMITTEE

Date 2/16/12 Time 1:00 p.m. Public Hearing on SB 150-FN

(AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies .)

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☐	☑	☐	Sen Luther	Dist. #12
☐	☑	☐	Sen. Groen	Sen District 6
☒	☐	☒	Bob Blaisdell	NH Coalition for Prosthetics
☒	☐	☒	Matt Albuquerque	NH Coalition for Prosthetics
☐	☑	☐	SENATOR DAVID BOUTIN	DISTRICT #16
☑	☐	☑	RICHARD SMITH	PERSON WITH DIABETES
☑	☐	☑	Autumn Verep	New Hampshire Midwives Assoc
☑	☐	☑ to amendments	Adrian Feldhusen	NH midwifery Council
☑	☐	☑	ELISABETH KENNETT / LIZ Kennett	GRANITE STATE DIABETES EDUCATORS
☐	☐	☑	Susan Paschell	Harvard Pilgrim Health Care
☑	☐	☑	Roland Lamy	NH Community Behavioral Health
☑	☐	☑	Louis Josephson	Riverbend Mental Health
☑	☐	☑	Amy Rheaume	Self
☑	☐	☑	Michelle Abbott	Self
☑	☐	☑	Carole Poulin	Self
☑	☐	☑	Noel Marcoux	Self
☑	☐	☑	Christy Mostrom	Self
☑	☐	☑	Mike Rollo	AMERICAN CANCER Society
☐	☐	☑	Eileen Flockhart	NH Commission on Deafness & Hearing Loss
☑	☐	☑	Stephen Habbe	American Diabetes Assoc.

SENATE FINANCE COMMITTEE

Date 2/16/12 | Time 1:00 p.m. | Public Hearing on SB 150-FN

(AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies .)

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☒	☐	☒	Doug McNutt	AARP
☐	☐	☒	Bonnie Dunham	self
☒	provide info only	☐	Jennifer Patterson	NH Ins. Dept
☒	☐	☒	Bob Denz	AARP
☐	☐	☑	Rebecca Dobbs	Keystone Hall
☐	☐	☒	Karen McDowell	Self
☐	☐	☒	Joseph McDowell	Self
☒	☐	☒	~~Paula Rogers~~	~~Anthem~~ BCBS
☒	☐	☒	Dan Pfundstein	MVP
☒	☐	☒	Lisa Kaplan Howe	NH Voices for Health
☒	☐	☒	Jeff Dickinson	GSIL
☒	☐	☒	Amy Pepin	New Futures
☐	☐	☒	Kirsten Murphy	NH Council on ASD
☐	☐	☒	Keith Kuenning	CFS
☐	☐	☒ (Senate Amend.)	Carol Stamatakis	NH Council on Dev. Disabilities
☐	☐	☒	mariellen mackay	Parent - Self - the moore center
☐	☐	☒	Lisa DiMartino	Parent
☒	☐	☒	John Richards	Gov. Comm. on Disability
☒	☐	☒	Jeffrey & Chrissy Moglan	Connor's Law ASD
☐	☐	☒	" "	

SENATE FINANCE COMMITTEE

Date 2/16/12 | Time 1:00 p.m. | Public Hearing on SB 150-FN

(AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies .)

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☐	☐	☑	Mark Hatfield Sr.	New Futures
☐	☐	☑ to amendment	Kathryn Hartwell	NH certified midwives
☐	☒	☐	Bruce Burke	NFIB
☐	☐	☑	Kelley Hobbs	NHAODSPA (NH Providers assoc)
☑	☐	☑	Ken Norton	National Alliance on Mental Illness
☐	☐	☑	Peter Alakiso	parent
☐	☐	☑	Jennifer Bertrand	parent
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SENATE FINANCE COMMITTEE

Date 2/16/12 Time 1:00 p.m. Public Hearing on SB 150-FN

(AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies .)

Please check box(es) that apply.

SPEAKING	FAVOR	OPPOSED	NAME (Please print)	REPRESENTING
☐	☐	☑	JOAN MARCOUX	Self Hard of Hearing
☐	☐	☑	Lisa Shapiro	PPNE Hearing Aid Bill
☐	☐	☐		
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Testimony

Richard "Dick" Smith
123 Prospect Hill Road **(603) 525-4229**
Hancock, NH 03449 d-smith@WorldPath.net

Date: February 16, 2012

To: Senate Finance Committee

Senate Bill 150 -- relative to out-of-state insurance companies

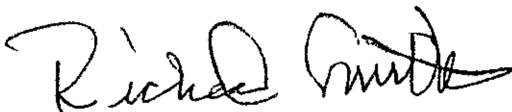
Good afternoon Mr. Chairman and members of the Committee. For the record, my name is Richard Smith. I am a citizen of New Hampshire and live in the village of Hancock. I am a 73 year old person who has been living with diabetes for 19 years. I have no complications from diabetes and am in peak health because of the diabetes education I have received over the years.

I am **opposed** SB 150 and the floor amendment because it would remove the important mandate that **all** health care insurance products include diabetes education and supplies coverage. It is well documented that coverage of diabetes education and supplies significantly reduces the rate of complications and therefore expensive hospital treatments. For example, uncontrolled diabetes is the leading cause of End Stage Renal Disease (ESRD). The annual average cost of kidney dialysis is $81,000. You can buy a lot of diabetes education with this sum. Here then is a prime example of how investing in preventative programs really pays off . . . for everybody.

See page 3 of this testimony for a breakdown of all the direct annual costs of diabetes.

Individuals and small employers may want to pay the lowest premium possible for partial health care insurance, but this may well end up to be the most expensive decision of all.

Respectfully submitted,



Cost of Diabetes Threatens to Bankrupt Health Care System

Yearly Direct Cost of Diabetes > $116 Billion *

Indirect Costs > $58 Billion

Total US annual cost > $175 Billion . . . and growing to $336 Billion over next 25 years **

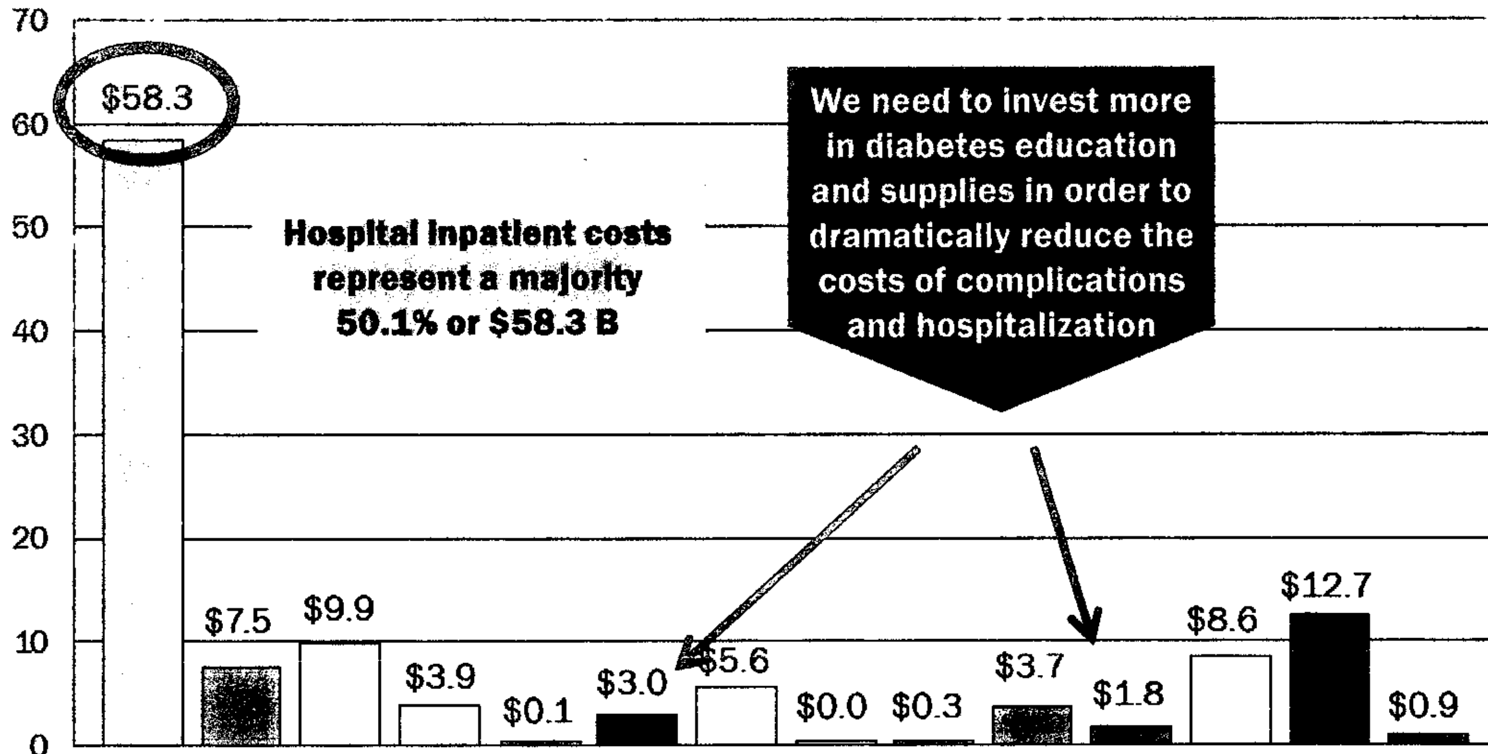
Annual New Hampshire cost > $876,100,000

Diabetes consumes 1 out of 5 U.S. health care dollars

At current rate, 1 out of 3 born today will develop diabetes during their lifetime **

* ADA and CDC statistics 2008 ** Diabetes Forecast, March 2010

US Insurance Payers Paid $116B in Direct costs for Diabetes in 2008



- Hospital inpatient (50.1%)
- Physician's office (8.51%)
- Ambulance services (0.08%)
- Home health (4.80%)
- Podiatry (0.23%)
- Diabetic supplies (1.53%)
- Retail prescriptions (10.9%)
- Nursing/residential facility (6.43%)
- Emergency department (3.32%)
- Hospital outpatient (2.56%)
- Hospice (0.02%)
- Insulin (3.21%)
- Oral agents (7.38%)
- Other equipment and supplies (0.76%)

Helping to make a difference.

Source: American Diabetes Association, as published in *Diabetes Care, March 2008*

Harvard Pilgrim
Health Care

February 16, 2012

Senator Chuck W. Morse, Chairman
Senate Finance Committee
New Hampshire State House
Concord, NH

Re: SB 150 authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies

Dear Chairman Morse:

I am writing on behalf of Harvard Pilgrim Health Care of New England to express our concerns with SB 150, authorizing individuals and certain businesses to purchase health insurance from out-of-state companies. Harvard Pilgrim is opposed to the original bill as introduced, because it creates an unlevel playing field whereby local carriers are required to comply with all New Hampshire health insurance statutes and regulations while out-of-state insurers are exempted from all mandates and are only subject to the New Hampshire Insurance Department's jurisdiction in very limited circumstances. While amending SB 150 mitigates some of the original bill's negative impacts, it unfortunately raises other issues that will cause uncertainty and disruption in the individual and small group insurance markets.

On the positive side, the amended SB 150 would do the following: 1. It establishes a pilot program that will be evaluated after a certain period of time; 2. It requires out-of-state carriers participating in the pilot to be licensed in NH and to be held to the same standards as domestic carriers by the NH Insurance Department, thereby ensuring a level playing field; 3. It preserves the regulatory role of the NH Insurance Department thereby helping to ensure adequate consumer protections.

In spite of these added provisions, we do not believe the pilot program will produce the desired results of encouraging significantly more insurance options in New Hampshire while significantly reducing premium costs for the following reasons:

- While mandates increase costs, they are not the key cost drivers; medical costs, which account for anywhere from 80% to 90% of the individual and small group premium, are the key cost driver.
- The NH insurance market is relatively small; it may not attract the large number of carriers envisioned by the bill's sponsors, especially if out-of-state carriers are prohibited (and should be) from practices such as "cherry-picking" of individuals or groups which can increase profits in the short run.
- Until decided otherwise by the Supreme Court and possibly the November elections, the Affordable Care Act ("ACA") is in effect and carriers are required to implement its

Harvard Pilgrim Health Care

provisions. Introducing a new set of products that are not ACA-compliant will require more resources that will drive up costs.

- Removing all mandates from products will violate the ACA's essential health benefits provisions. For example, mammography is a required preventive service under the ACA; clinical trials will be a federal mandate in 2014; the ACA expands the existing federal mental health parity to individuals and small groups in 2014; and prescription drug coverage will be required in 2014, so drugs for certain conditions, such as diabetes, will be covered.
- Consumer confusion and frustration in the individual and small group markets could occur in 2014 if options under the pilot program are non-ACA compliant and are removed from the market.
- Since insurers would still have to offer at least one plan that meets all of the mandates, people who believe they'll never use any of the stripped out mandates will flock to the plan(s) without mandates and those who need one or more of the mandates will flock to the existing plans. Such adverse selection will cause the existing plans to become less affordable over time for the very persons who need them the most.

Given the concerns we've listed above, we believe a better approach would be for the State to repeal coverage for mandates that are not essential health benefits across all insurance products. This would avoid the problem noted above that if a plan doesn't cover the ten categories of essential health benefits, it would not be ACA-compliant and could not become the benchmark plan without significant changes. Eliminating non-essential health benefits mandates from all plans would also avoid significant adverse selection issues between the mandate-free plans and plans with mandates.

The Legislature has already established the joint health care reform legislative oversight committee to ensure that any implementation of federal health care reform is done in a manner that complies with federal law but reflects New Hampshire's values and desire to avoid unnecessary regulation and costs. This committee might be the appropriate body to determine which mandates should be kept and which ones should be eliminated. In fact, there is a pending bill in the House (HB627) which does exactly that. Finally, as noted at the very start, the best way to keep health coverage affordable is to reduce medical costs through providing consumers with both information and incentives to choose providers who provide quality care at a reasonable cost.

Thank you for this opportunity to comment on Senate Bill 150.

Sincerely,

Beth Roberts

Beth Roberts
Vice President, Regional Markets

The State of New Hampshire
Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

February 16, 2012

Senator Chuck W. Morse, Chair
Senate Finance Committee
State House
Concord, NH 03301

Re: S.B. 150, Amendment 2012-0861s

Dear Senator Morse and Members of the Senate Finance Committee:

I am writing to convey the views of the New Hampshire Insurance Department ("Department") with respect to S.B. 150, and to comment on an amendment (2012-0861s) that we understand will be offered today by Senator Sanborn. The amendment, which the Department helped draft at Senator Sanborn's request, would create a temporary, three-year option for health insurers to offer individual and small employer coverage that is exempt from some or all product and service coverage mandates contained in New Hampshire law. The Department typically does not take a position on mandate-related legislation, preferring instead to provide information on the market dynamics and public policy considerations that are at play so legislators can decide how to balance these factors. That is how we will approach this amendment.

First of all, the amendment addresses a number of the Department's concerns about the original version of S.B. 150. The original bill allowed health insurers licensed in another state but not in New Hampshire to offer coverage in New Hampshire that would not be subject to New Hampshire insurance law. This would have eliminated the Department's ability to protect New Hampshire health insurance consumers, and it would have created adverse selection and un-level playing field problems between the remotely regulated and the locally regulated markets in New Hampshire. These concerns are addressed by the Sanborn amendment, which gets rid of the problem of New Hampshire jurisdiction and focuses instead on creating a New Hampshire-regulated option to offer products not burdened by existing New Hampshire coverage mandates.

The National Association of Insurance Commissioners has estimated that mandated benefits add up to 5% to the cost of a policy.[1] A number of states have passed legislation that attempts to cut into the added cost of mandates by leaving the mandate laws in place but creating an additional option for carriers to separately offer what most refer to as mandate-light coverage. This creates a market with two types of coverage, coverage that is subject to the mandates and coverage that is not. The chief policy difficulty with this approach is that, other market factors being unchanged, the affordability gains that accrue to the mandate-light coverage come mostly at the expense of affordability losses to the mandate-complete coverage, thereby straying from the basic insurance concept of spreading or pooling risk.

To illustrate this problem, assume that offering mandate-light coverage would cause a number of individuals or small employers who had previously been uninsured to enter the market due to the lower price of the mandate-light product. At the same time, however, a number of other individuals and small employers who preferred mandate-complete coverage, but could not afford the now-higher price of that coverage, would be forced either to leave the market or to accept coverage that did not meet their needs. It is difficult to predict whether more people will enter the market or leave it. It is probably safe to assume, however, that healthier and younger people would enter the market, and sicker and older people would leave it. Thus, mandate-light coverage becomes more affordable mostly by shifting costs to mandate-complete coverage, and it is questionable whether there is any net gain in affordability for individuals and small businesses in New Hampshire.

It is this type of consideration that has led some states to limit the availability of mandate-light products. For example, Utah only allows mandate-light coverage to be offered as a substitute for COBRA or continuation coverage, and Arizona initially limited mandate-light eligibility to persons who had been without health insurance for at least six months.

Another consideration in evaluating this amendment is that some of the coverage mandates may be required by federal law, other state laws, or federal or state constitutional provisions, particularly equal protection. The amendment partially addresses this concern by specifying that Plan L coverage must contain a mandate if that mandate is required by federal law. However, until these legal questions are resolved, it will remain unclear to what extent the New Hampshire mandates may be excluded from Plan L coverage, and this uncertainty may cause insurers to be reluctant to invest in developing the new products contemplated by the amendment.

In addition, it appears that insurers would not be legally entitled to charge different prices for mandate-light and mandate-complete coverage to account for the fact that the mandate-light coverage would likely be selected predominantly by younger, healthier people and groups. This is because RSA 420-G:4 prohibits insurers from pricing health plans based on predictions about the overall health or health care utilization of the people who select that policy. This means that Plan L pricing, if done in compliance with New Hampshire rating rules, could only reflect the

[1] See "Interstate Health Insurance Sales: Myth vs. Reality," www.naic.org.

cost savings attributable to the reduced coverage (again, which the NAIC estimates to be no more than 5%) and not the savings attributable to risk selection.

All of these considerations would be addressed by an approach that simply repealed specific mandates, namely those that are not already required by federal law and which do not raise constitutional concerns about equal protection. In addition, there may be other, more effective ways to increase the affordability of health insurance. In recent years, the Insurance Department has devoted increasing attention to health insurance affordability initiatives that focus on cost savings rather than cost shifting. In particular, the greatest opportunity for health insurance cost containment appears to be health care payment reform. There is good reason to believe that our fee-for-service health care payment system fosters a great deal of unnecessary or inefficient care and has failed to reward care coordination, wellness programs, disease management or the quality of care. The Department is currently overseeing research on the causes of health insurance premium increases and hopes in the near future to be in a position to produce information that will support legislative initiatives that will lead toward reform of our health care payment system.

Thank you for the opportunity to comment on the proposed amendment to S.B. 150.

Sincerely,

Roger A. Sevigny

RAS:slb

cc: The Honorable Senator Bradley
The Honorable Barnes, Jr.
The Honorable Senator Boutin
The Honorable Senator Carson
The Honorable Senator DeBlois
The Honorable Senator Forsythe
The Honorable Senator Gallus
The Honorable Senator Groen
The Honorable Senator Lambert
The Honorable Senator Luther
The Honorable Senator Morse
The Honorable Senator Odell
The Honorable Senator Prescott
The Honorable Senator Rausch
The Honorable Senator Sanborn
The Honorable Senator White

NAIC
National Association of Insurance Commissioners
& The Center for Insurance Policy and Research

Interstate Health Insurance Sales: Myth vs. Reality

Some have suggested that allowing interstate sales of health insurance policies will make coverage more affordable and available. In reality, interstate sales of insurance will allow insurers to choose their regulator, the very dynamic that led to the financial collapse that has left millions of Americans without jobs. It would also make insurance less available, make insurers less accountable, and prevent regulators from assisting consumers in their states.

MYTH: ***Allowing individuals to purchase insurance a cross state lines will give them access to coverage at lower premiums.***
REALITY: **Interstate sales will start a race to the bottom by allowing companies to choose their regulator.**

- Allowing banks to choose their own regulator was a major cause of the current financial crisis.
- Insurers will seek the regulations that allow them to most aggressively select the healthiest risk.
- While those individuals in pristine health may be able to find cheaper policies, everyone else would face steep premium hikes if they can find coverage at all.

MYTH: ***Mandated benefits are the reason insurance is more expensive in some states than others, and interstate sales would lower premiums by allowing people to forgo benefits they don't want.***
REALITY: **This isn't about the mandates**. Mandated benefits add, at most, 5% to the cost of a policy.

- Interstate sales would allow some insurers to cherry-pick the best customers by avoiding consumer protections that require them to cover individuals with preexisting conditions and limit their ability to charge higher prices for older, sicker customers.
- In states with robust consumer protections, insurers could reap huge profits by skirting these rules.

MYTH: ***Interstate sales will simply provide people with more options. People who don't want interstate policies can keep the coverage they currently have.***
REALITY: **Interstate sales would actually reduce the options available to consumers**.

- Out-of-state insurers would be able to lure healthy enrollees away from existing risk pools, which would become progressively sicker and more expensive until they ultimately fail.
- Insurers that currently comply with state consumer protections would be forced by out-of-state competitors to evade them as well.
- Insurance policies would cover less and less, as insurers try to design polices that discourage the sickest customers from applying.

MYTH: ***Policies sold across state lines would be governed "cooperatively" by the states with no loss of consumer protection.***
REALITY: **Allowing insurance to be sold across state lines would eliminate the ability of insurance regulators to assist consumers.**

- Interstate policies would for the first time allow insurers unlicensed in the purchaser's state to sell health insurance, which would otherwise be a criminal offense.
- Licensure is the key that allows state regulators to take action to protect consumers.
- The regulators of one state have no authority to enforce the laws of another state. Instead, consumers will have to hope that the regulator in a distant jurisdiction has the ability and resources to assist consumers nationwide.

EXECUTIVE OFFICE	444 N. Capitol Street, NW, Suite 701	Washington, DC 20001-1509	p | 202 471 3990	f | 816 460 7493
CENTRAL OFFICE	2301 McGee Street, Suite 800	Kansas City, MO 64108-2662	p | 816 842 3600	f | 816 783 8175
SECURITIES VALUATION OFFICE	48 Wall Street, 6th Floor	New York, NY 10005-2906	p | 212 398 9000	f | 212 382 4207

www.naic.org

Senate Finance Committee
February 16, 2012
New Hampshire Voices for Health Testimony

RE: SB 150-FN, An Act authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

Chairman Morse and members of the committee, thank you for the opportunity to provide testimony regarding Senate Bill 150.

My name is Lisa Kaplan Howe and I am the Policy Director for New Hampshire Voices for Health. Voices is a nonprofit consumer advocacy organization that coordinates a statewide network of individuals, small businesses and advocacy organizations committed to ensuring a strong, high quality and affordable health care system for the families and businesses of our state. We have over 40 partner organizations and individuals and, together with the members of our network, we represent over 375,000 people across the state.

We share concerns about rising health insurance costs and commend the bill sponsors for seeking ways to make coverage more affordable. However, we do not think that Senate Bill 150 as filed or the proposed amendment will succeed at making coverage more affordable. Additionally, we are concerned about the risks inherent in SB 150 and the proposed amendment for New Hampshire families and the state's insurance market. **For those reasons, we respectfully ask that you recommend SB 150 inexpedient to legislate.**

NH Voices for Health Comments on Senate Bill 150 as filed

It is important to first recognize that New Hampshire residents and businesses already can and do purchase coverage from out-of-state insurance companies. A number of the insurers selling coverage to New Hampshire consumers and businesses are based outside of New Hampshire. What this bill seeks to do is to allow insurance companies that are not licensed in New Hampshire to sell coverage to New Hampshire residents and businesses. We have the following concerns with this proposal:

- **Allowing health insurance that is not licensed in New Hampshire to be sold in New Hampshire will not lower the cost of coverage.**

Much of the lure of allowing unlicensed health insurance plans to be sold in New Hampshire is the belief that if plans do not have to include the health insurance consumer protections and benefits required by state law, coverage will be more affordable. However, according to the National Association of Insurance Commissioners, health insurance mandated benefits add, at

most, 5% to the cost of health insurance and, as such, allowing plans to be sold without those benefits will not meaningfully lower premiums.[1] At the same time, the bill would lower the value of the plans that people purchase. While they will spend nearly the same amount of money to purchase coverage, that coverage will provide consumers with significantly less value by failing to provide adequate coverage of basic health care services.

In addition, because of the risk selection that would result from this bill (outlined below), while those individuals in perfect health *may* be able to find somewhat cheaper plans, everyone else would face significant increases in premiums in order to be able to find the comprehensive coverage they need and may find fewer and fewer plans that meet their needs.

- **Allowing health insurers that are not licensed by the state to sell coverage to New Hampshire families and businesses puts the individuals covered by their plans in harm's way.**

New Hampshire insurance law ensures that insurance provides good value and adequate coverage. The individuals who would be covered by the unlicensed carriers would – in many cases unknowingly – be left without the protections ensured by New Hampshire insurance law. These rules have been put in place to ensure that insurance consumers get value for their premium dollars, have adequate access to health care services and are protected against bad business practices. If facing abusive practices by an unlicensed insurance company, these individuals would not be able to rely on the laws of our state for protection.

This would be particularly concerning for individuals whose employers may choose to purchase unlicensed coverage. These individuals would be left without the choice of purchasing plans with the protections provided by New Hampshire law.

- **Allowing health insurers that are not licensed by the state to sell coverage to New Hampshire families and businesses threatens the viability of New Hampshire's insurance market and coverage, as well as the economy more generally.**

If non-licensed insurance carriers are allowed to sell what might be inadequate coverage in New Hampshire it would lead to a race to the bottom, allowing companies to choose to be licensed in a state that allows them to attract only the healthiest people. They would then come into New Hampshire and cherry-pick the healthiest New Hampshire consumers and business populations. This would lead to adverse selection against the New Hampshire insurance market and would undermine the state's insurance pool. As a result, the legislation would have the unintended consequence of making licensed coverage more expensive and New Hampshire's insurance pool unstable. It also would put the local New Hampshire insurers that employ Granite State residents at risk, threatening New Hampshire jobs.

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[1] http://www.naic.org/documents/topics_interstate_sales_myths.pdf

NH Voices for Health Comments on the Proposed Amendment to Senate Bill 150

We have similar concerns with the proposed amendment to Senate Bill 150, which seeks to allow health insurance plans to be sold in New Hampshire even if they do not include all of the benefits required to be included by New Hampshire insurance law:

- **Allowing insurers to offer plans that do not comply with New Hampshire law will not lower health care costs**

The proposed amendment states that its purpose is to promote the availability of more affordable health insurance coverage in the individual and small group markets. While we share that goal, this proposal will not accomplish that objective. As noted above, the National Association of Insurance Commissioners has found that mandated benefits add, at most, 5% to the cost of health insurance.[2] Likewise, an annual survey in Texas, which studied a comparable number of health insurance mandated benefits as exist under New Hampshire law, reveals that those mandated benefits increase the cost of coverage by less than 4% or $11 a month for individual coverage.[3] In fact, the premiums for "mandate-free" plans that were authorized in that state were less 3% less expensive ($5-9 per month) than plans that include mandated benefits.[4]

Even these minimal immediate savings from eliminating coverage of services may result in higher costs in the long-term, as individuals who forgo needed services require more intensive and expensive care as a result.

- **Similar laws have not been successful in other states**

Laws similar to the proposed amendment have passed in three other states – North Dakota, Minnesota and Texas. No carrier has chosen to sell such a plan in either North Dakota (which passed its law in 2001) or Minnesota (which passed its law in 2005).[5] That is likely related to the experience in Texas. Though some insurers in that state do offer plans without required benefits, 88% of consumers and small businesses still chose to enroll in the comprehensive plans that include all mandated benefits.[6]

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[2] http://www.naic.org/documents/topics_interstate_sales_myths.pdf

[3] http://www.tdi.texas.gov/reports/life/documents/lhlmanbenrept09.pdf

[4] http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCQQFjAA&url=http%3A%2F%2Ffamiliesusa2.org%2Fconference%2Fhealth-action-2009%2Fconference-materials%2Ffriday_ppt%2Fpogue-friday-pm-bare-bones-big-bill.ppt&ei=CBA8T5yjJuHj0QH2nvy0Cw&usg=AFQjCNFn_aoECcknIQ9b82cmIf6Yqht3fQ

[5] http://www.familiesusa.org/assets/pdfs/limited-benefit-plans.pdf

[6] http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCQQFjAA&url=http%3A%2F%2Ffamiliesusa2.org%2Fconference%2Fhealth-action-2009%2Fconference-materials%2Ffriday_ppt%2Fpogue-friday-pm-bare-bones-big-bill.ppt&ei=CBA8T5yjJuHj0QH2nvy0Cw&usg=AFQjCNFn_aoECcknIQ9b82cmIf6Yqht3fQ

- **Allowing plans do not include all benefits required to be covered under state law to sell coverage to New Hampshire families and businesses puts the individuals covered by those plans at harm's way.**

The purpose of New Hampshire's health insurance mandated benefits is to establish an appropriate coverage floor so that New Hampshire residents who pay for health insurance are not left without adequate coverage of their health care needs. The plans proposed by the amendment would leave consumers exposed to gaps in coverage, which can result in financial hardship and barriers to care. Lack of access to needed health care diminishes people's health status and, in turn, impacts their ability to productively contribute to society.

This is particularly concerning for individuals whose employers choose to offer "mandate-free" plans. While we appreciate the required disclosure included in the amendment, these individuals will be left with only two choices – to either purchase the inadequate coverage offered by their employer or to purchase no coverage at all.

In addition to the impact on the individual, "mandate-free" plans would have broader impacts. People who are underinsured they are likely to need care for which they cannot pay. The cost of that uncompensated care gets shifted across the health care system raising the cost of insurance for everyone, including the state.

- **Allowing the sale of plans that do not meet New Hampshire insurance requirements will threatens the viability of – and access to - comprehensive plans.**

Like the underlying bill, the proposed amendment will promote adverse selection against existing, comprehensive health insurance plans. If those people who do not think they need the protection from comprehensive coverage move to "mandate-free" plans, leaving those Granite State residents with more significant health care needs in the comprehensive plans, the cost of those comprehensive plans and benefits would skyrocket. Magnifying that is the fact that insurers could choose to overprice the one comprehensive plan that they are required to offer, while offering numerous, reasonably-priced "mandate-free" plans. This would allow them to cherry-pick the healthiest residents away from comprehensive plans, further skyrocketing the cost of those plans.

The result is that New Hampshire businesses and residents would soon lose the ability to find affordable comprehensive plans.

- **The legislature – not insurers – should make decisions about mandated benefits**

The legislature should not allow private companies to choose whether they will comply with state standards. The decision about the enforcement of state laws should remain in the hands of the legislature.

We urge you to be mindful of the potential dangerous consequences of SB 150 and the proposed amendment and to weigh these proposals carefully. We thank the sponsors of the underlying

legislation and amendment for their interest in addressing rising health care costs and we would welcome the opportunity to be part of a dialog to find solutions that will ensure consumers get good value for their premium value and maintain adequate consumer protections.

Thank you for your attention and consideration. We are happy to be a resource to you as you consider this and other legislation that affects access to quality, affordable health care and coverage. Please do not hesitate to call on us by contacting me at 369-4767 or lisa@nhvoicesforhealth.org.

415:6-c Coverage for Nonprescription Enteral Formulas

415:6-e Coverage for Diabetes Services and Supplies.

415:6-j Coverage for Certain Prosthetic Devices

415:6-l Coverage for Certified Midwives; Individual.

415:6-m Coverage for the Cost of Testing for Bone Marrow Donation.

415:6-n Coverage for Children's Early Intervention Therapy Services

415:6-o Coverage for Obesity and Morbid Obesity; Individual

415:6-p Coverage for Hearing Aids

415:18-a Coverage for Mental or Nervous Conditions and Treatment for Chemical Dependency Required.

415:18-d Coverage for Scalp Hair Prostheses.

415:18-e Coverage for Nonprescription Enteral Formulas.

415:18-f Coverage for Diabetes Services and Supplies

415:18-g Coverage for Dental Procedures; Medical or Hospital; Group.

415:18-h Coverage for Dental Procedures; Dental Offices.

415:18-i Coverage for Prescription Contraceptive Drugs and Prescription Contraceptive Devices and for Contraceptive Services.

415:18-l Coverage Required for Qualified Clinical Trials

415:18-n Coverage for Certain Prosthetic Devices.

415:18-q Coverage for Certified Midwives

415:18-r Coverage for the Cost of Testing for Bone Marrow Donation

415:18-s Coverage for Children's Early Intervention Services.

415:18-t Coverage for Obesity and Morbid Obesity; Group.

415:18-u Coverage for Hearing Aids

417-D:2 Low-Dose Mammography Coverage. –
I. Each insurer that issues or renews any policy of accident and health insurance providing benefits for hospital expense, medical-surgical expense, or major medical expense shall provide in each group or

individual policy, contract, or certificate of insurance issued or renewed for persons who are residents of this state, coverage for screening by low-dose mammography for all women 35 years of age or older for the presence of occult breast cancer within the provisions of the policy, contract, or certificate. The coverage shall be as follows:
(a) A baseline mammogram for women 35 to 39 years of age.
(b) A mammogram every 1 to 2 years, even if no symptoms are present, for women 40 to 49 years of age.

417-E:1 Coverage for Certain Biologically-Based Mental Illnesses

417-E:2 Coverage for Treatment of Pervasive Developmental Disorder or Autism

420-A:14 Coverage for Scalp Hair Prostheses

420-A:17 Coverage for Nonprescription Enteral Formulas.

420-A:17-a Coverage for Diabetes Services and Supplies.

420-A:17-b Coverage for Dental Procedures.

420-A:17-c Coverage for Prescription Contraceptive Drugs and Prescription Contraceptive Devices and for Contraceptive Services

420-A:17-f Coverage for Certified Midwives

420-A:17-g Coverage for Children's Early Intervention Services

420-B:8-b Health Maintenance Organization Benefits for Mental and Nervous Conditions and Treatment for Chemical Dependency

420-B:8-ee Coverage for Dental Procedures

420-B:8-f Benefits for Scalp Hair Prostheses

420-B:8-ff Coverage for Nonprescription Enteral Formulas

420-B:8-gg Coverage for Prescription Contraceptive Drugs and Prescription Contraceptive Devices and for Contraceptive Services.

420-B:8-k Coverage for Diabetes Services and Supplies.

420-B:8-p Coverage for Certified Midwives

420-B:8-r Coverage for Children's Early Intervention Services

Whitehead, Shannon

From: Susan Paschell [SPaschell@dupontgroup.com]

Sent: Thursday, February 09, 2012 5:18 PM

To: Whitehead, Shannon

Subject: SB 150-FN - Senate Finance hearing

Attachments: 2.4.12 SB 150 Sanborn amendment mandates.doc

Hi Shannon –
I think there is going to be a very large crowd for this hearing next Thursday.
The Sanborn amendment will bring out all the insurers, the mental health centers, parents of kids with autism, the midwives, etc, etc.
Attached is a list of the insurance mandates the amendment proposes to eliminate, to give you an idea of who will be affected.

Just thought you and Senator Morse should know.

Thanks! (Is it Friday yet???)
Susan

Susan Paschell, Associate
The Dupont Group
114 North Main Street
Suite 401
Concord NH 03301
603-228-3322 ext. 107

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Raymond M. White, CLU, ChFC, CFP 11:53 AM (3 minutes ago)

to me, Senator, Jeb

Andy,

Here are my thoughts on the amendment. As I mentioned to you, I cannot be at Senate finance at 1 PM. Feel free to read this to the committee, if you like.

After speaking to the Department of insurance, I am satisfied that all of the regulatory concerns I had about your amendment have been addressed and taking care of. My only concern at this point is that having a "mandate light" and a "mandate heavy" marketplace does open the door for market segmentation. It is always better if you can remove the mandates from all plans, because then no segmentation can occur.

Having said that, there is something to be said for "mandate light" because it has the potential to lower cost to the point where those that choose to be uninsured simply because they cannot or will not afford health insurance at the current price points may be enticed to purchase insurance at a more affordable price point, and then once in the pool, these new insureds do help the entire insured population.

Because of these reasons, I am neutral on the amendment. I do not and will not oppose it, but I don't necessarily enthusiastically supported either.

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I S S U E P A P E R

on

medicaid and the uninsured

February 2012

People with Disabilities and Medicaid Managed Care: Key Issues to Consider

Executive Summary

Individuals with disabilities are, by definition, a Medicaid population with special needs. Precisely because of their high needs and costs, Medicaid beneficiaries with disabilities are increasingly a focus of state efforts to improve care and manage Medicaid spending more effectively. In most states now, some children and/or adults with disabilities are subject to mandatory enrollment in managed care arrangements for at least some of their care, and more states are moving in this direction. Further, beginning in 2014, the Affordable Care Act will expand Medicaid to reach millions of low-income uninsured Americans, including many with disabilities, and states are widely expected to rely on managed care organizations to serve the newly eligible, mostly adult, population.

While managed care offers tools to improve care coordination and quality, identification of the conditions and structures essential to promote these aims, and of the problems that may result if they are absent, can help guide the design of sound managed care programs for all Medicaid beneficiaries, and particularly for beneficiaries with disabilities, for whom both the potential risks and gains may be greatest. To that end, this brief examines central issues in Medicaid managed acute care through the lens of disability. A **companion paper** examines issues in Medicaid managed long-term care, and a separate **brief** provides a current overview of Medicaid managed care more broadly.

Key considerations concerning payment

- ***Establishing capitation rates for persons with disabilities poses special challenges.*** Capitation rates must be sufficient to enable managed care organizations (MCOs) to recruit the provider networks necessary to care for enrollees with diverse disabilities, and they must take into account the cost of specialized services and the higher cost of managing care for complex patients. Evidence of significant unmet need among Medicaid beneficiaries with disabilities in fee-for-service (FFS) suggests that FFS utilization may not provide a sound basis for setting capitation rates. Risk-adjustment systems based on diagnostic information, prior FFS claims, or MCO encounter data can improve the appropriateness of capitation rates, mitigate jeopardy to the quality of care, and help ensure that MCOs with higher-need enrollees are not penalized, but getting adequate plan data to support these systems remains a key challenge.
- ***Risk-based managed care for persons with disabilities is not likely to generate short-term savings.*** Medicaid FFS payment rates, on which capitation rates may be based, are already so low in many states that there is no "room" to extract cost savings by reducing price, leaving utilization as the remaining source of potential savings. However, unmet need among beneficiaries with disabilities, high initial utilization due to pent-up demand and improved care coordination, and up-front administrative costs make near-term Medicaid savings from managed care for this population unlikely. The potential for savings lies in more appropriate patterns of care over time, especially reduced hospital use, which may result from better prescription drug management and more advanced clinical management and care coordination for people with disabilities.

Key considerations concerning provider networks and delivery systems

- ***MCOs will need broader provider networks.*** People with disabilities require both acute and long-term care from a wide array of specialists and specialized facilities that may not be represented adequately or at all in Medicaid MCOs' existing networks. Access problems now encountered by some comparatively healthy beneficiaries can be expected to be greater for those with more extensive and diverse needs unless plans are able to recruit appropriate networks of providers.

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- ***Physically accessible facilities and other accommodations are needed.*** MCOs may need to acquire more expertise to identify and assess chronic physical and mental health needs, as well as provide special outreach and accommodations to ensure meaningful access and adequate care for Medicaid enrollees with disabilities. For example, effective communication, such as through sign language interpreters, and culturally competent clinicians and staff, are needed, as are physically accessible services and equipment. Dedicated outreach and follow-up may be critical to assist individuals who are severely mentally ill, in particular, with getting to appointments or adhering to treatment.

- ***Improved integration of behavioral and physical health care is a priority.*** As over half of Medicaid beneficiaries with disabilities have a diagnosed mental illness, team-based care and other models that facilitate integration of behavioral and physical health care are needed. States can promote such models by requiring information-sharing among providers and holding provider teams collectively accountable for performance. Mental health, pharmacy, and other "carve-outs" and subcontracts raise concerns about patient navigation and fragmentation of care. Contract provisions that facilitate or require data-sharing and coordination across entities are essential, especially for those with mental health comorbidities, and because of the large impact of mental illness on hospitalization rates and overall Medicaid costs.

- ***Coordination between acute and long-term services and supports is important for many with disabilities.*** Managed long-term care programs may provide states an avenue for creating more cost-effective arrangements and integrating acute and long-term services and supports (LTSS), but experience and evidence are still limited. MCOs' ability to coordinate and manage LTSS is affected by the extent to which the program covers institutional services, medical care, and behavioral health services, in addition to community-based LTSS. Involving community-based organizations in program design may help ensure an adequate supply of LTSS, as these organizations often have strong ties to LTSS referrals or services.

Key considerations regarding beneficiary protection and oversight of managed care

- ***Beneficiary engagement is crucial, and outreach and assistance are vital to ensure that beneficiaries with disabilities understand managed care.*** Early and ongoing beneficiary and other stakeholder input is necessary to identify the concerns and needs of people with disabilities and design programs that are responsive and adequate. Mechanisms for public engagement include public meetings, focus groups, and planning and oversight committees. A priority for states enrolling people with disabilities in managed care must be ensuring that enrollees understand how managed care operates. Lower health literacy in this population suggests needs for focused outreach and education regarding how to use services, restrictions on provider choice, grievance and appeals rights, and other aspects of managed care. "Choice counselors" could be helpful to beneficiaries in evaluating their plan options.

- ***Voluntary enrollment and provisions to smooth transitions from FFS could mitigate disruptions in patient-provider relationships and treatment.*** Mandatory enrollment in managed care can jeopardize continuity of care if it disrupts longstanding treatment relationships and processes. States can exempt people with disabilities from managed care or adopt a policy of voluntary rather than mandatory enrollment. States can also promote managed care without mandating it by automatically enrolling people initially but permitting them to opt out. Other approaches to maximizing continuity for those in active treatment, such as longer enrollment periods, or smart use of utilization data to match enrollees with MCOs that include their providers or have expertise relevant to their conditions, could help to ease transitions from FFS to managed care.

- ***Encounter data are essential to assess access and quality and to set actuarially sound rates.*** While states are required to collect and report encounter data from MCOs, CMS has not enforced this requirement. As a result, no national database exists to support analysis of important Medicaid managed care measures. Current federal reporting systems capture only the payments states make to MCOs on behalf of Medicaid enrollees; they lack individual-level utilization data needed to evaluate access and care and to support oversight. As states enroll more medically complex beneficiaries in managed care, the need for detailed encounter data to assess access, set actuarially sound rates, and hold plans accountable is increasingly pressing.

- ***Specialized measures of access and quality and robust monitoring are needed.*** Widely used quality measure sets (e.g., HEDIS and CAHPS) do not take into account or include targeted measures that reflect the special needs of people with disabilities. Nor have quality measures for LTSS been developed, a problematic gap in the context of efforts to integrate management of LTSS and acute health care. To address these shortcomings, some states and plans conduct targeted monitoring of selected measures of access, utilization, or care that are of key importance for patients with a specified condition or disability. Examples include monitoring of cervical cancer screening for women who are HIV-positive, dental visits for people with developmental disabilities, and rates of hospitalization for pressure sores and falls or fractures among persons with severe physical disabilities.

- ***Careful contracting and state oversight are essential.*** Contracts are the principal mechanism states have for ensuring that MCOs are accountable for delivering adequate and high-quality care to their Medicaid enrollees; therefore, specificity in contracts is crucial. In addition, "secret shopper" surveys to audit provider availability, strategic analysis of encounter data to monitor and assess access and guide rate-setting, and aggressive use of performance measurement to drive quality, are among the state oversight activities needed to ensure effective and efficient program administration, including meaningful beneficiary protection. State staff capacity and resources to conduct these operations and enforce standards are fundamental.

- ***States can strengthen protections for beneficiaries enrolled in MCOs.*** Medicaid MCO enrollees retain their due process rights regarding the entitlement to Medicaid benefits, and federal law also provides additional protections for beneficiaries in MCOs. States can enhance protections for beneficiaries, for example, by establishing a state Medicaid ombudsman program to mediate disputes or advocate on behalf of beneficiaries, or programs in which independent, external reviewers evaluate the merits of grievances and appeals. The effectiveness of such initiatives will depend on the resources states devote to them, outreach to increase beneficiaries' awareness of their rights and how to exercise them, and beneficiaries' access to counsel.

Looking Ahead

As Medicaid policy officials seek both to contend with ongoing budget pressures and to adopt delivery and payment system reforms designed to improve care and gain more from their Medicaid spending, the current trend toward enrolling Medicaid beneficiaries with disabilities in managed care seems likely to continue. As more states weigh moving in this direction, and as millions of additional low-income adults, including many with disabilities, obtain Medicaid under the ACA beginning in 2014, a set of special concerns for this high-need population – related to outreach and education, system navigation, access to services, and beneficiary protection and oversight – warrants careful consideration. The capacity of states to invest sufficient resources in these efforts is also key.

Managed care offers potential to increase access and improve the coordination of care, particularly for those with the most complex needs. At the same time, it has the potential to disrupt access and care and to compromise the well-being of beneficiaries if they are unable to navigate the system or health plans are not equipped to meet their needs. The actual performance of managed care in serving Medicaid enrollees with disabilities will depend on the specifics of states' managed care contracts, and on many program design and oversight issues. Therefore, states' decisions about how their managed care delivery and payment systems are structured will matter greatly going forward, and the rigor and enforcement of their contracts with MCOs will strongly influence the extent to which state goals for improving access and care and reducing costs for Medicaid beneficiaries with disabilities translate into plan accountability for these outcomes. Close study and ongoing assessment of those managed care programs that serve Medicaid beneficiaries with disabilities can help to identify the attributes of successful models, providing valuable guidance as states move ahead.

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I S S U E P A P E R

medicaid and the uninsured

October 2011

EXAMINING MEDICAID MANAGED LONG-TERM SERVICE AND SUPPORT PROGRAMS: KEY ISSUES TO CONSIDER

EXECUTIVE SUMMARY

There is increased interest among states in operating Medicaid managed long-term services and support (MLTSS) programs rather than paying for long-term services and supports (LTSS) on a fee-for-service basis, as has been the general practice. This issue brief examines key issues for states to consider if they are contemplating a shift to covering new populations and LTSS benefits through capitated payments to traditional risk-based managed care organizations (MCOs). It draws on current literature as well as discussions conducted during the spring and summer of 2011 with a variety of respondents – federal and state officials, researchers, representatives from managed care organizations, service providers, and consumer advocates.

Experience with and evidence about the impact of Medicaid MLTSS is limited. Relatively few states currently use capitated models to manage care for the elderly or individuals with disabilities, the populations most likely to require LTSS. Research to date indicates that relative to fee-for-service programs, MLTSS programs reduce the use of institutional services and increase access to home and community-based services, but there is little definitive evidence about whether the model saves money or how it affects outcomes for consumers.

Program design is an important component of state MLTSS initiatives, and establishing high quality MLTSS programs is not a simple process. The extent to which MLTSS programs cover institutional services, medical care, or behavioral health services, in addition to community-based LTSS, affects MCOs' ability to coordinate services and manage costs effectively. Other significant program features to consider are whether enrollment in Medicaid MLTSS plans is mandatory or voluntary and whether the MCO is sponsored by a commercial, non-profit, or governmental entity. In light of budget shortfalls, and particularly if government downsizing is occurring, states may have diminished capacity to develop, implement, and monitor new MLTSS initiatives. It is important for planning and start-up periods to be long enough to allow state agencies to collaborate to make complex program design choices, to work with CMS to obtain the authority to operate new programs, and to consult with stakeholders, including consumers, providers, and MCOs.

Community-based organizations play a vital role in ensuring an adequate supply of LTSS, and it is important to consider their role in a managed long-term care system. These entities often have long-standing ties with consumers by making LTSS referrals or providing services. In a managed care environment, community-based organizations in some states function as MCOs or participate in MCO provider networks.

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Strong state oversight of MCOs is essential, and quality measures are needed. When states delegate functions to MCOs, they cannot cede responsibility for management and guidance, especially for the very vulnerable populations that require LTSS. Significant components of effective oversight include explicit contract language about plans' responsibilities, early attention on the part of states to determining how performance will be measured, and ongoing feedback from consumers and providers to help monitor program operations. A major challenge is that few quality measures for LTSS have been developed or tested, though particular states and plans have data and experience that could help inform efforts to create national standards. Data that are publicly available in a timely manner and relevant locally are most useful.

Certain program features promote a shift to more community-based and better-coordinated services. The array of services for which MCOs are responsible and at risk may affect their ability to coordinate services effectively or achieve diversions from institutions or transitions from institutions back to the community. Flexibility to provide a broad service package, autonomy for MCO service coordinators, and clear state expectations regarding options for consumers to direct their own services, along with detailed requirements for plans' roles in facilitating these options, can improve care coordination and make plans more aware of the full range of services and supports that consumers may need. The switch to managed care also raises questions about who bears responsibility for and has the capacity to address the lack of affordable accessible housing alternatives and inadequate pools of qualified formal caregivers, which continue to be significant barriers to keeping people who need LTSS in the community. Interest on the part of MCOs as well as a shift in states to thinking about broad service delivery systems has led to some activity, but solving the housing and workforce issues will require substantial investment and coordination among multiple government agencies and payers through demonstration projects, training programs and competitive compensation for workers, and other innovative arrangements.

CONCLUSION

The development and expansion of Medicaid MLTSS programs is receiving a great deal of attention in states as they strive to deliver services in a weak economy. Federal initiatives aimed at better coordinating services and lowering costs for beneficiaries dually eligible for Medicare and Medicaid also contribute to heightened interest. Efforts to improve the quality of services and deliver them in a more efficient manner are worthy goals, but if MLTSS programs are to succeed, careful design based on a thorough understanding of the strengths and needs of the various populations that use them is important. Efforts to incorporate aspects of current home and community-based service programs that are considered effective are also important. The vision and responsibility for Medicaid MLTSS programs rests with states. It is essential for states to have time, expertise, and financial resources to consult with stakeholders, shape programs, attend to administrative details, clarify expectations, and monitor program operations so that they can strike the right balance between managing care and managing costs.

Diabetes Self Management
Consulting Services

Liz Kennett RN BSN CDE

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Liz Kennett RN CDE   Granite State Diabetes Educators, Inc.

I am an RN certified diabetes educator with 36 years of experience providing education to individuals in New Hampshire with diabetes. I have provided direct education to patients and their families and I have been a Director of a Diabetes Self Management Training Program. I am here as Chair for Government Relations and Advocacy for the Granite State Diabetes Educators. I oppose any changes in legislation that would affect the ability of those insured in New Hampshire from obtaining Diabetes Self Management Training.

65,700 people in New Hampshire have diabetes (7.5% of the population). 37,000 of those with diabetes are between the ages of 20-64. These should be productive years for these individuals and for society. However, the ability to remain productive depends on good control of diabetes. It has been proven time and again (1) that keeping diabetes under control decreases diabetes complications such as kidney disease, eye disease, and nerve disease and improves quality of life and productivity.

Poor control of diabetes is currently expensive and will become more expensive. The CDC data report released in June 2008 confirmed that diabetes is the largest and fastest-growing chronic disease in the nation. (2). Growth of diabetes in 2006 in New Hampshire paralleled the US growth. The estimated total cost of diabetes in 2007 for the United States was $174 billion:

- Includes $116 billion in excess medical expenditures and $58 billion in reduced national productivity
- $27 billion for care to directly treat diabetes
- $58 billion to treat the portion of diabetes-related chronic complications that are attributed to diabetes
- $31 billon in excess general medical costs

If calculated, the cost of diabetes in New Hampshire would be huge.

It is possible to affect the personal and financial impact of diabetes in New Hampshire. Good control requires knowledge and life style changes. When I first became a diabetes educator in 1976, I taught patients to boil syringes and file needles to remove the burs. I now teach patients to use insulin pumps and insulin pens. Some still use insulin syringes. I teach them to decide their dose of insulin based on carbohydrate information on a food label. The individual needs to take knowledgeable action frequently throughout the day based on information learned through blood sugar testing and symptom awareness. Learning how to change a treatment plan requires easily accessible affordable education. Those on pills or a nutrition plan are not exempt from a need for knowledge. Many have Type 2 diabetes and struggle with obesity,(56.9% of NH population based 2004 NH Data), a huge risk factor for poorly controlled diabetes.

The evidence is overwhelming that DSMT programs taught by a professional qualified diabetes educator reduce health costs and improves lives for those diagnosed with diabetes and for those at high risk of diabetes. A three year retroactive claims analysis of 4 million covered lives, which included 250,000 Medicare beneficiaries, showed an average Medicare cost savings per month/per patient of $135 for those individuals who complete a DSMT program, and inpatient hospital cost savings of $160 per month, per patient. (3)

The ability to obtain this education would be jeopardized if insurance companies don't have to comply with NH state mandates for coverage for Diabetes Self Management Training.

(1) Diabetes Control and Complications Trial 1993: kidney disease (50% reduced risk), eye disease (76% reduced risk), nerve disease (60% reduced risk)
UKPDS 1997, EDIC 2005
(2) National Conference of State Legislatures May 2011 Update
(3) American Association of Diabetes Educators Letter to US Secretary of Health Kathleen Sebelius
NH Diabetes Data 2004 NH Department of Health and Human Services

Feb. 16, 2012
Senate Hearing SB 150 and amendment #0861s

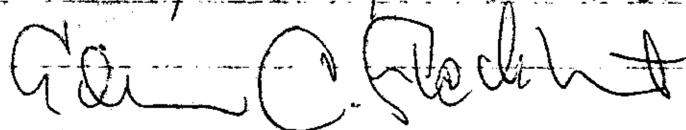
Eileen Flockhart
62 Park Ct., Exeter NH 03833
Member: N.H. Commission on Deafness and Hearing Loss

I come before you today in opposition to SB150 and its most recent amendment #0861s.

The small, but immensely encouraging gains made by the mandate to provide insurance coverage for hearing aids for some NH policy holders, is an important beginning. With the mandate in law for a relatively short time, the measurable data on success is limited. Anecdotally we know of real benefits both for individuals and their families and wider communities.

Those on our commission and beyond in the community of those with hearing loss, oppose this bill and suggest that, as mentioned here today, further work and interim study would be the most appropriate direction at this time.

Thank you for your consideration.



Granite State Independent Living
gsil
Tools for Living Life on Your Terms

21 Chenell Drive
Concord, NH 03301-8539
603.228.9680
800.826.3700
tty 888.396.3459
fax 603.225.3304
www.gsil.org

February 16, 2012

Senate Finance Committee
NH State Senate
107 North Main Street
Concord, NH 03301

Dear members of the Senate Finance Committee:

I am writing as a representative of Granite State Independent Living (GSIL), a statewide private non-profit organization that for over 30 years has assisted people with disabilities and seniors in living independently in the community. GSIL opposes this proposed legislation, SB150 as amended, because its passage would encourage discrimination by health insurers against NH citizens who require certain types of medical testing, treatment, or equipment.

This bill will encourage discrimination against people with disabilities by not requiring coverage of hearing aids and related services. It will encourage discrimination against children with Autism and other Developmental Disabilities. It will encourage discrimination against women. It will encourage discrimination against those seeking treatment for mental health conditions. Indeed, this bill will encourage discrimination against any NH citizen who belongs to a "minority" group by eliminating mandated coverage that has been put in place over many years to correct the historical lack of health care insurance coverage for those belonging to these "minority" groups. GSIL feels that the NH Legislature should not pass legislation that will promote discrimination.

Some of our other concerns about SB150 include the following:

- The bill and amendment will undermine NH's insurance market and the consumer protections that NH residents rely on.
- In the end, removing mandates will not give most consumers access to coverage at lower premiums. Healthy individuals will flock to basic low-cost plans, leaving others in sicker, more expensive insurance pools that will ultimately collapse. Insurance premiums for many would skyrocket and quickly become unaffordable.
- Mandated benefits add at most only 5% to the cost of a policy. Many of these benefits often have exorbitant out-of-pocket costs. If no longer covered by insurers, this will impact consumers in the long term and contribute to increased expenses in our healthcare system.

Finally, GSIL is very disappointed that Senator Sanborn has decided to attempt to make these drastic changes to NH insurance law, not by filing a bill, but by tacking an amendment on to another health insurance bill on a separate issue. Doing so creates a situation where the public has limited time and ability to give input on the proposed changes, if they ever find out about them at all. We believe that the NH Senate should rather continue to promote transparency in the process and encourage maximum public involvement.

Thank you for the opportunity to express our concerns over this bill. For all of the reasons above, please vote SB150 Inexpedient to Legislate.

Sincerely,

Jeff Dickinson
Advocacy Director

S H A W N & J E N N I F E R B E R T R A N D

Senate Finance Committee:	Chuck Morse, Chairman	Peter Bragdon
	Bob Odell, Vice Chairman	Lou D'Allesandro
	John Barnes, Jr.	Jeannie Forrester
	John Gallus	

Chairman Morse and Finance Committee Members,

My name is Shawn Bertrand, and my wife, Jennifer, and 4 children live in Mont Vernon. I'm writing this letter today to express my opposition to SB150 as amended. The amendment I oppose in particular is the proposal to exclude early intervention services and autism from insurance mandate coverage.

My concern for this bill stems from the types of services we utilize for our daughter Chloe, who is currently 12 years old. When she was born in 1999, and we grew to realize she would encounter some challenges in her life. Her early years were marked with global development delays, which continue today. She is non-verbal, and was diagnosed with Autism at the age of 4, and has needed intensive physical, speech, and occupational therapy ever since.

Chloe, at age 7

She started receiving early intervention services around 18 months in the form of occupational therapy and later had speech therapy prior to her 3 year birthday. It is these services which provide an important insurance of its own to the residents of this state – consider current studies which state that 60% of children receiving these services no longer need them by their 3rd birthday. Early intervention costs are cheaper and far, far more effective than similar types of services at the middle and high school level.

Eventual cost savings extend far beyond the education and therapy realm. For every dollar invested, 40% is gained in return investment from special education, reduction in juvenile justice and criminal behavior, and welfare and unemployment costs. When individuals who would otherwise grow up with some learning disabilities can actually contribute to society in higher and more productive ways, you can see how the return on investment can grow even higher.

Thank you for your time, and please oppose SB150 as amended so that these vital early intervention services can continue and our residents can continue to see positive developments out of these services.

Sincerely,

Shawn Bertrand

5 0 S O U T H M A I N S T R E E T
M O N T V E R N O N , N H 0 3 0 5 7

February 15, 2012

Senator Chuck Morse, Chair
Senate Finance Committee
New Hampshire State Senate
107 North Main Street
Concord, NH 03301

Dear Senator Morse and Committee Members,

I am urging you to please vote against SB 150 and its amendment. SB 150 would allow individuals and certain businesses to purchase insurance from out of state companies which would undermine the quality of health care here in the state of New Hampshire. These insurance companies would not be subject to NH laws and regulations, and therefore, consumers would not have the protections when there is incident or dispute regarding covered treatments. As a result, local control is lost which impacts both the state and consumers.

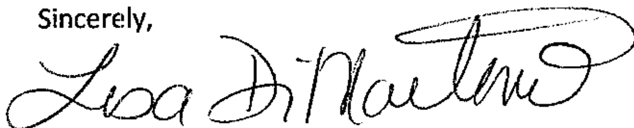
The purchasing of insurance across state lines will drive up the cost of NH policies because many younger, healthier individuals will be able to purchase basic low cost out of state plans. This will leave older, sicker individuals stuck with the plans here in NH, which will lead to smaller groups. A consequence of these smaller groups, are higher insurance premiums that will be unaffordable for many.

The amendment to abolish all mandates will also have a negative impact. The mandated benefits, adds only approximately 5% to the cost of a policy. The costs for not providing these mandated treatments will cost NH more money in the long term.. For example, currently, early intervention saves the state money. For every dollar invested, there is a 40% investment return in special education costs.

I know that my 16 year old son who received early intervention is now walking because of treatments and services he received. My son also has Autism, and I know many families with children who have Autism. The one thing that I hear loud and clear from these families is that treatments for Autism are not covered by insurance, and many families have become financially devastated due to these high costs. Also, many families are left without getting the much needed treatments for their child. In the long term, this will end up costing the NH taxpayers more money when these individuals can no longer be taken care of at home and need placement at a facility.

For all of the aforementioned reasons, I ask you to please vote no on SB150 and its amendment.

Sincerely,



Lisa DiMartino
23 Williamsburg Ave
Gilford NH 03249
603-528-3540

Kelly Walker
31 Milton Place
Hollis, NH 03049
(603) 465-4131

February 15, 2012

Senator Chuck Morse, Chair
Senate Finance Committee
New Hampshire State Senate
107 North Main Street
Concord, NH 03301

Dear Senator Morse and Committee Members,

I'm writing to express my opposition to SB 150 and its current amendment, which would permit health insurance carriers operating in New Hampshire to write plans that do not include important consumer protection measures. Specifically, I do not believe carriers in our state should be allowed to opt out of the mandatory coverage required by Connor's Law (RSA 417-E:2), our mental health parity statute (RSA 417-E:1), and the Early Childhood Intervention Services Mandate (RSA 420-B:8-r).

My son, Liam, has autism and from the age of 18 months he received invaluable supports and services made partially available through our health insurance provider. Early on, speech therapy taught him how to communicate using pictures, the ABA (applied behavioral analysis) therapy taught him how to interact with us and the occupational therapy improved his muscle tone and ability to tolerate clothing. To many, these may not sound like major accomplishments but to Liam and our family, they were life-changing achievements and proof that treatment worked.

Today, at age 12, Liam receives ABA therapy through our health insurance provider and continues to make amazing progress. He's able to verbally communicate his needs effectively and is learning social and communication skills. With supports, he's able to attend and participate in school with his "typically developing" peers and at home he helps out with chores by doing his laundry, emptying the dishwasher and getting his dinner ready.

From what I have seen, autism is treatable. Just like any other health condition, when a doctor recommends treatment, it should be covered by health insurance. These treatments include speech language therapy, occupational therapy, and behavior-based therapy. Without the consumer protection laws listed above, these important therapies will not be available to children like Liam. Ultimately, it is the NH taxpayers who will foot the bill when children who have not receive the treatment that their doctor has prescribed require significantly more special education services and long term care.

I appreciate and thank you for your time.

Sincerely,

Kelly Walker

Noel Marcoux
15 Learned Street
Nashua, NH 03060
603-888-5894
nrm1304@yahoo.com

February 16, 2012

Senator Chuck Morse, Chair
Senate Finance Committee
Legislative Office Building
Concord, NH 03301

Dear Senator Morse and Committee Members,

My name is Noel Marcoux and I live in Nashua with my sons, Greg and Jeffrey and my daughter, Jackie. I am writing today to ask you to oppose SB150. Both Jackie and Jeff have and continue to receive important benefits that this bill proposes to eliminate.

My son Jeff is 16 years old and has many diagnoses including a chromosome anomaly, epilepsy, autism, vision impairment and arthritis. While he has many challenges, the services he received starting at the age of 9 months were an integral part of the progress and success he now achieves. Since August of last year Jeff has received special therapy services called Applied Behavioral Analysis or ABA 4 evenings each week. He progress since August has been remarkable. The gains he has made and the will continue to make with this therapy will reduce the level of need in his long term care.

Jackie will be 20 next week. She is sophomore RA with a 3.7 GPA at the University of Hartford. Her success is due to her determination, dedication and motivation. It is also due to the hearing aids she wears. Jackie has a moderate to profound hearing loss in both ears. She would not be able to fully participate in her college education or our community without the use of the hearing aids.

I have been a widow since 2003. I am the sole supporter of my 3 children. Without the insurance coverage that I and my children receive I would not be able to afford the hearing aids for Jackie or the ABA therapy for Jeff.

I don't want my family and other citizens of our state to have to go without these and other important benefits therefore I ask you please oppose SB150. Thank you for taking the time to hear my story and listen to my concerns.

Sincerely,

Noel Marcoux

From: Glorivee Cruz; Mother of Sofia A. Gonzalez
17 Laurel St
Merrimack, NH 03054
Phone: 603-219-2063

Five years ago we moved to the beautiful state of New Hampshire from Puerto Rico. My husband and I work and contribute to this nation with pride.
Three years ago our smaller daughter, Sofia Alejandra, was diagnosed with Autism. She had no verbal skills. Our world has changed 180 degrees. We have directed all our effort to give her the tools she needs to become a functional member of this society.

Health insurance does not cover ABA or speech therapy that she needs for her development. Gateways and the Merrimack School District with professionalism, love and commitment made their part into Sofia's recovery and we doing everything in our power, but it is not enough.

Sofia was assigned a budget that we use to cover Speech, ABA, and equipment that we cannot afford or that is not covered by our health insurance. Her progress has been remarkable. Now she has started saying a few words and the goals in her school and society are being met.

If she loses the funding the repercussions on her progress would be devastating. We know the nation is suffering a great economic problem, but I think that taking away the opportunity of our children with disabilities to function in our community is not the solution...

Please, do not take from Sofia the chance of becoming a beautiful independent woman in this society.

Thanks for your attention...

Glorivee Cruz

February 16, 2012

The Honorable Chuck Morse, Chair
Senate Finance Committee
Room 103
NH State House
Concord, NH 03301

RE: New Futures' Opposition to SB 150-FN (authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies)

Dear Senator Morse and Honorable Members of the Committee,

I appear today in my role as Policy Director at New Futures. New Futures is a nonprofit, nonpartisan organization working to prevent and reduce alcohol and other drug problems in New Hampshire. New Futures is strongly opposed to SB 150-FN as introduced and to Senator Sanborn's "mandate free" amendment. The current law, in effect since 2002, establishes a minimal substance use disorder treatment benefit for private insurance plans in New Hampshire which provides access to affordable treatment, saves money and saves lives.

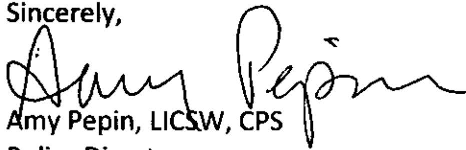
New Futures is concerned about rising health insurance costs and understands the legislature's desire to seek ways to make coverage more affordable. Removing coverage for substance use disorders through SB 150, however, will ultimately increase costs for New Hampshire employers and the State. Eliminating the substance use disorders mandate is ill-advised because for a very low benefit cost, the extremely high costs of failing to treat addiction can be avoided.

1. **Low benefit cost**: Actuarial analysis presented to the Senate Insurance Committee in 2002 concluded that the mental health and substance abuse parity bill would impact net employer contributions for health costs by $0.50 per member per month. Removing it would therefore have virtually no impact on cost.
2. **High cost of untreated addiction**: Substance use disorder treatment through insurance coverage is a not only very inexpensive it is a bargain compared to the alternatives which directly impact the State: domestic violence, accidents, threats to public safety and incarceration among others. The cost offsets to employers are also significant. These include increased employee productivity, lower absenteeism, decreased health care costs, fewer accidents and errors and lower worker's compensation costs. There are numerous studies which detail these costs:
    a. In New Hampshire, 75% of parole revocations are due to use of drugs or alcohol.[i]
    b. Addiction treatment has been shown to reduce crime by 80% and arrests by 64%.[ii]
    c. More than 75% of reported domestic violence incidents occur while the attacker is under the influence of alcohol or drugs.[iii]
    d. An estimated 45% of the out-of-home placements for children under two years of age occurred among infants born to mothers using alcohol or other drugs during their pregnancy.[iv]
    e. Health care costs for employees with untreated alcohol addiction problems are nearly twice as much as those of other employees.[v]

Allowing insurers to offer **"mandate-free" plans will not lower costs** as intended and employers and the State of New Hampshire will be left with the costly consequences. New Futures asks you to vote Senator Sanborn's amendment and SB150-FN, as introduced, **inexpedient to legislate**.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,



Amy Pepin, LICSW, CPS
Policy Director
apepin@new-futures.org
603-225-9540
603-717-5507

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[i] Justice Center The Council on State Governments, "Justice Reinvestment in New Hampshire: Analyses & Policy Options to Reduce Spending on Corrections & Increase Public Safety." January 2010

[ii] Harwood, H, (2002). "Cost Effectiveness and Cost Benefit Analysis of Substance Abuse Treatment: Literature Review and Annotated Bibliography." Presentation at IRETA (February 20, 2003)

[iii] Substance Abuse: The Nation's Number One Health Problem, February, 2001 http://www.rwjf.org/files/publications/other/SubstanceAbuseChartbook.pdf

[iv] Alternative Cost Offset Models, "Washington State Department of Social and Health Research & Data Analysis Division, February 25, 2005

[v] Substance Abuse: The Nation's Number One Health Problem, February, 2001 http://www.rwjf.org/files/publications/other/substancabusechartbook.pdf

NAMI New Hampshire

National Alliance on Mental Illness NH

Honorable Senator Charles Morse
Senate Finance Committee
State House Room 103
Concord, NH 03301

Dear Senator Morse and Finance Committee Members,

My name is Kenneth Norton and I serve as the Executive Director of NAMI NH, the New Hampshire Chapter of the National Alliance On Mental Illness. I am here today to speak in opposition to SB 150.

Last month the United States Substance Abuse and Mental Health Services Administration's National Survey on Drug Use and Health was released showing that one in five American adults suffered from a mental illness during the past year. The same study reported that 12% of children between the ages of twelve and seventeen suffered a major depressive episode during the past year.

This report confirms what previous research has determined. We know that mental illnesses occur regardless of an individual's race, gender or socio economic status. Yet we also know that some groups like veterans are at higher risk. The Rand Report in 2008 indicated that one third of troops returning from deployment report psychological distress.

What often is not discussed is that like any other untreated medical condition, untreated mental illness can result in death. The Center for Disease Control reports that ninety percent of suicide deaths are the result of a mental illness or substance abuse disorders. In New Hampshire suicide is the second leading cause of death between the ages of 15-34 and the fourth leading cause of death between the ages of 35-54.

Mental illnesses often co-occur with other medical conditions. There is a high correlation between heart disease, diabetes, cancer and depression. Outcomes for these conditions improve when mental illness is treated simultaneously.

Research has clearly demonstrated that mental illness is a biological disorder and like other medical conditions mental illness can be treated effectively. Yet unlike other medical conditions studies show that less than 40% of individuals seek treatment. The number is slightly higher for veterans; about half seek treatment. Most people report cost as the primary reason for not getting treatment, but some also cite the stigma and shame associated with mental illness.

SB 150 will allow insurance providers to opt out of providing benefits for mental illness and substance use disorders. Why was mental illness selected as one of the conditions which insurers are not mandated to cover? Would we ever consider allowing insurers to not provide coverage for cancer? Or how about heart disease and the individual with two previous heart attacks, who is 100lbs. overweight, and fails to follow Dr.'s orders by not exercising, smoking and not eating properly. Why do we believe it is acceptable to exclude mental illness or any other medical condition?

Changing the law to allow certain illnesses to be excluded from health care plans is encouraging employers and individuals to play Russian roulette with their health. No one should be forced to spin the health care wheel in the hopes they don't end up with an uncovered illness.

Thank you for your service to our state and for the opportunity to offer testimony.

Sincerely,

Kenneth Norton LICSW
NAMI NH Executive Director

Improving the Lives of All Persons Affected by Mental Illness and/or Serious Emotional Disorders

15 Green Street ★ Concord, NH 03301
InfoLine: (800) 242-6264 ★ PH: (603) 225-5359 ★ FX: (603) 228-8848
www.naminh.org ★ E-Mail: info@naminh.org

Affiliates / Support Groups throughout New Hampshire

2/16/12

Dear Senators, Members of Committee and Whom It May Concern,

My name is Chrissy Mostrom, I write to represent my children and to express my vehement opposition to HB 105 and to any amendment that would place early intervention and Connor's Law in peril. My first experience testifying before the Senate was when my son Levi, now four, had just regressed into autism. Levi had quickly gone from a loving and engaged child to a little boy who suddenly forgot how to speak, how to eat, and even who we were. He filled our hours with shrieking for reasons we did not understand, he engaged in self-injurious and aggressive behaviors, and began to eat dirt. Our hearts were broken. We were given a prescription for a full time Applied Behavioral Analysis program, the only proven effective treatment for autism. Although Applied Behavioral Analysis is the official recommendation of the Federal Government and by the American Academy of Pediatrics for treating autism, we learning that insurance was unwilling to provide coverage, despite there being mental health parody in NH.

I pleaded with the Senators to imagine regressive autism as I felt it, like a kidnapping of my precious son. There existed a time proven medical treatment that offered a ransom, a feasible, prescribed way to raise his level of functioning and secure him a safer future, and it was unattainable us. I begged the Senators to intervene and to give my child the opportunity of medical treatment he would be afforded had we received any other diagnosis. Connor's Law was signed into law and we had hope for the first time since Levi had started slipping away to where it was hard to reach him.

Levi began an ABA program several months thereafter, and has now received programming for a year. In one years time, his speech and eye contact are close to being fully restored, he has typical eating behaviors, is not longer aggressive or self-injurious, and is at his appropriate age level for academics. There are still many deficits to be addressed, but with a few more years of intensive treatment we believe that he will go on to live unassisted as a productive member of society. This is not only an answer to our prayers, it represents an enormous benefit to the school district who will have to provide him with less support as he ages, and to the state who will no longer face the cost of his adult care. It is important to understand that the success of recovering significant levels of functioning is not possible with merely special education provided by the school districts. Special education will assess a child's level of function, and develop programming for that level of function. Applied Behavioral Analysis (Only made accessible to families by Connor's Law) will assess a child's level of functions and develop programming to systematically raise that function as high up the medical spectrum as possible. When we took Levi out of the Merrimack School District's special Education program and began ABA, his rate of skill acquisition increased at a rate of 250% across the board, which we can

prove with data taken by a Board Certified Behavior Analyst Thea Davis and LeAnn Milinder PhD.

The ABA program cost over 100,000.000, my husband's entire salary. Even with Connor's Law in place, families are against tremendous odds to offer their child appropriate treatment in a timely manner. To ransom our precious Levi, our family members have deferred retirement, re-mortgaged a home, held fundraisers, and sold many things so that our sacrifices coupled with the protection of Connor's Law, might offer Levi a chance at the health and wellness we dream for him. I would like to reiterate that even WITH Connor's Law in place, NH's children with autism are rarely receiving the appropriate level of ABA, it is still nearly impossible to make insurance companies comply with the law. Our insurance company is Anthem Blue Cross Blue Shield, and I struggled with them almost for the entirety of last year to comply with Connor's Law and reimburse our ABA costs up to the mandated 36,000.000. After I had compiled evidence of eleven months of illegitimate denials, been lied to, hung up on, involved the NH Insurance Department, and openly mocked for my efforts to recover the reimbursement we were legally entitled to, I threatened to release my information to an investigative reporter. I received a check for the full amount several days later. Thankfully, the battle earned me a rapport with the behavioral health department and this year I have already been able to obtain authorization from Anthem to pursue ABA for my children, but the point is, had Connor's Law not existed to offer me some protection I would have surely given up, and Levi would have had to end the treatment saving all of our lives. Mothers of children with autism live in a state of grief; it is so hard to contend against the odds. Please. Connor's Law offers us a very small element of security; do not take away our protection.

Connor's Law is NH's children with autism's only hope of receiving the full time ABA program recommended. ABA is not experimental. It is not special education. It is not habilitation. It is the only time proven, medical way to help children with autism. Presumably your own children and grandchildren have not had the misfortune to slip away to this horrible disease when they turned two years old, so allow me tell you what we are treating for. Small children forget to eat their food and chew holes in their own arms instead. They compulsively shatter glass for the euphoria of watching it shatter. They injure themselves to self stimulate in the image of swelling blood. They grab stove burners because of the beautiful red light, and they don't feel the pain of it. I do not want to be crass, and if the graphicness of this is offensive I sincerely apologize - but you must hear it. If these children do not receive ABA afforded by Connor's Law they are likely to live with no quality of life, and their mothers will live with the horror of it. Children with autism who do not receive early intensive ABA are at tremendous risk of harm, and statistically they are frequent victims of drowning and molestation, and this will be on our hands. They cannot perceive danger; they cannot communicate harm coming to them. You MUST defend them. If we fail to uphold the protection of these defenseless children, how great will be the loss. A lawyer would call it

irreconcilable loss - I would call it a reproach on our state and an offense to God an His people.

It is with a heavy heart that I finish my story. When I first came to Concord and testified to request Connor's Law become law, I was nursing a baby girl named Selah. She too slipped into autism this year, at the end of May. The only thing worse than knowing my beloved girl has become far from me is knowing that there is a way to bring her back in, and not knowing by what means I will do so. Please. Stand up for me and my children, and do not touch what little hope and security we have left. When our children slip away, we must not give them up as nameless and faceless, NO! We must stretch out further and strive to recover them. Do not turn away from NH's mothers, I urge you to stand in the gap, as we do for our children. Who knows but that God, who raised you to influence, intended you to help us and do good for such a time as this. Please do not harden your hearts.

With Faith in You,

Christine Mostrom

Michelle Abbott, 35 Oliver Drive, Hudson, NH 03051

(603) 594-0660

February 16th, 2012 Testimony for SB 150

Dear Committee Chair and members of the Senate Finance,

My name is Michelle Abbott, I am a resident of Hudson, and I am here today to plea that you oppose this harmful amendment. I am a mother of two girls ages 7 and 5 on the autism spectrum, a member of a family owed small business, and consumer.

I would like to share with you the challenges my family in impacted with every day. My daughter, Sarah, was diagnosed with regressive autism at 16 months old. She had no delays up to this point and had many various words. One evening, I kissed her goodnight and shut the light switch off. That switch changed our world. She had no words, eye contacts fleeting and interactive play skills no longer visible. Soon after the diagnosis of autism shattered our perfect life, so did all of her medical issues associated with autism. Sarah has seizures, severe gastrointestinal issues, allergic colitis, sensory processing disorder, reflux, environmental and food allergies requiring special diet, asthma, reoccurring illnesses, and now immune system dysfunction requiring IVIG every 3 weeks. Sarah had intensive ABA therapy until age 3 where she was making significant progress. She transitioned to public school and progress decreased significantly. The classrooms are over crowed and environment is busy and loud. This impacts a child with autism significantly.

Over the last 6 months since all of you here supported HB 569, our lives have changed drastically. I have a great behavioral ABA team. We have family support and training. The skills learned at school were not generalizing out of that environment are now they are. My family now has some typical activities in our lives that we did not have. We can go to a restaurant without the streaming and tantrum behaviors, we can go in to the grocery store, library, and many other places in the community. Sarah is starting to do daily living skills on her such as dressing, brushing teeth, pour a bowl of cereal. We went on our first summer vacation this year in a location that she has never been to with minimal behaviors. My family has hope for the future. We are beginning to have some typical aspects in our lives. I beg that you do not support this bill. My family's happiness is depending on you.

An independent study requested by the House Committee on Commerce and Consumer Affairs found that the impact of covering treatments under this updated definition would be 0.2% to 0.4% or $0.83 to $1.37 per member per month which would impact premiums by less than the cost of a cup of coffee per month. As a business owner, I will give up that cup of coffee for each family impacted by autism. Remember, we did not choose autism in our lives but it is my reality every day.

An autism diagnosis forces a family to go through an autism grieving cycle that consists of shock and disbelief, denial, anger or rage, confusion and powerlessness, depression, guilt, shame or embarrassment, fear and panic, bargaining, hope, isolation, and acceptance. Acceptance means that they are feeling some control over the situation and their feelings about life with autism. I haven't met many families that have ever reached this stage completely. Unfortunately, many marriages are impacted by the financial stresses and lack of help forced upon them. Again, please oppose this amendment. It could be harmful to a child's future, a marriage and their family. Autism is treatable.

Testimony of the American Diabetes Association in Opposition to Senate Bill 150

"An Act Authorizing Individuals and Certain Businesses to Purchase Health Insurance from Out-of-state Insurance Companies"

Thank you Chairman Morse and members of the Senate Finance Committee. My name is Stephen Habbe, and I'm the advocacy director for the American Diabetes Association. I'm here to convey the Association's strong opposition to Senate Bill 150.

This legislation, as originally filed, would allow out-of-state health insurers who are not licensed in New Hampshire to provide insurance here. This is concerning, because consequently, they do not need to include benefits in their insurance plans that New Hampshire law requires.

Now the **proposed amendment** before the committee today would also allow insurers who are licensed in New Hampshire to also avoid meeting the state's benefit requirements. For the diabetes community, this means the very coverage that supports keeping people with diabetes healthy and out of the hospital could now be eliminated. This coverage includes diabetes medications, training about how to self-manage diabetes, and the equipment and supplies needed for managing blood glucose levels (such as blood glucose test strips, syringes and insulin pumps). It is through proper blood glucose management that many of the devastating complications of diabetes can be prevented or delayed.

We know that complications from diabetes include blindness, cardiovascular disease, kidney failure, lower limb amputations, and too often death. The devastation faced by too many individuals and their families is the most important concern. But these complications also take a great financial toll due to additional care needs, procedures, hospitalizations, and surgeries.

8% of the adults in New Hampshire have diagnosed diabetes. And many thousands of other adults certainly have undiagnosed diabetes. Given so many people are developing diabetes in New Hampshire, it doesn't make sense to exempt plans from offering the very coverage that will keep people healthy. The Association urges the committee to oppose Senate Bill 150. Thank you for your consideration.

Contact info: Stephen Habbe, Advocacy Director, shabbe@diabetes.org, 617-482-4580 x3457

February 16, 2012

Hon. Chuck Morse
Chair, Senate Finance Committee

RE: SB 150, and proposed amendment 2012-0669s

Dear Chairman Morse:

Good afternoon Mr. Chairman and members of the committee, for the record my name is Michael Rollo and I am the State Director of Government Relations and Advocacy for the American Cancer Society and I am appearing before you today in opposition to amendment 2012-0669s as proposed by Senator Sanborn.

The American Cancer Society is the nationwide, community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service.

The Society's opposition is rooted in new section 2, II, that amends RSA 420-G:4 that allows insurance carriers in New Hampshire to offer plans that do not include:

- Coverage for the cost of Bone Marrow Donation (RSA 415:6-m) 2006
- Coverage for Scalp Hair Prostheses (RSA 415:18-d) 1992
- Coverage required for Qualified Clinical Trials (RSA 415:18-I) 2000
- Coverage for Low-Dose Mammography (RSA 417-D:2) 1988

Numerous studies have shown that early detection with mammography saves lives and increases treatment options. Steady declines in breast cancer mortality among women since 1990 have been attributed to a combination of early detection and improvements in treatment. It is important to note that NH has mandated that low-dose mammograms be covered since 1988. The Society finds it curious that the Senate would consider striking a provision that has proven to save the lives of thousands of NH's women.

It is also important to note that changes made at the Federal level may make several of the proposed exclusions moot, such as mammography coverage, as they will be mandated by 2014 in all insurance plans.

I have heard some speak to the notion that younger consumers are healthier and don't always need such comprehensive coverage. That they will appreciate the savings. Others here today will speak to the

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costs associated with making these changes, but I want to leave you with one story about a young mother from Charlestown, NH. Her name is Hilary St. Pierre. Hilary was a 21 year old recent nursing school graduate and soon to be first time mother when she was diagnosed with Hodgkin's Lymphoma. Because of the mandates contained in RSA 415:18-I, Hilary was able to participate in a qualified clinical trial and extended her young life until last week, when she lost her 8 year battle with cancer.

I would caution you to remember that regardless of age or socio-economic conditions, all of the mandates have been approved after careful scrutiny by past legislatures and were deemed appropriate for inclusion in our statutes as they were in the best interest of consumers.

Thank you for the opportunity to appear before you today and I would be happy to answer any questions.

Respectfully submitted,

Michael Rollo
State Director of Government Relations and Advocacy

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Senator Chuck Morse, Chairman
Senate Finance Committee
Room 103, State House
Concord NH 03301

February 16, 2012

Dear Senator Morse and members of the Finance Committee:

The NH Community Behavioral Health Association, comprised of the ten community mental health centers in NH serving individuals who are living with and recovering from mental illness and emotional disorders, wishes to go on record as opposing the Sanborn amendment to SB 150.

Our opposition to this proposal can be summarized as:

- Allowing the sale of plans that do not contain 43 services deemed as necessary to mandate in all coverage does a disservice to all residents of our state

- Community mental health centers and other nonprofit employers have seen skyrocketing insurance premiums over the years but still try to be sure they offer good coverage to their employees

- Employees don't generally have a choice of plans - if they do, it is not a wide choice of options.

- In this challenging economic time it would be easy to take the lower cost route, but that will be lower cost in the short term only

- Because many of the mandates this amendment would remove will most likely be part of the ACA essential benefits, removing these mandates will also be short-term and insurers will have to add them back in when the ACA takes effect in 2014

- NH has protected the coverage of mental health services through RSA 415:18(a) since the 1970's

- NH was one of the first states in the US to pass a mental health parity law for certain biologically based disorders

- Do we want to further marginalize care for people who need mental health services - or not cover it altogether, leading to more costly emergency and inpatient services?

- Diabetes and cardiac issues are increased in the population impacted by severe and persistent mental illness – this population is known to die on average 25 years earlier than the general population - does NH want to be known as the state that widened that gap by no longer mandating coverage for diabetes treatment and education?

- There is also the likelihood that individuals impacted by elimination of these mandated services would ultimately meet the requirements to be covered by NH Medicaid Aid to the Permanently and Totally Disabled (APTD)

- Does NH want to be the state that tells a woman that she won't have coverage for breast reconstructive surgery after enduring the physical and mental ravages of breast cancer?

- Does NH want to be the state that tells an amputee that he cannot have a prosthesis that would allow him to walk again?

- Many of us are guilty of not reading the fine print in health insurance plans - but the blame would be upon the State if this amendment is passed into law and direct harm is allowed to fall on our citizens

NHCBHA urges you to reject this proposed change to mandated insurance requirements. Thank you for your consideration.

Sincerely,

Roland P. Lamy

Roland P. Lamy
Executive Director

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

FOR THE CONSENT CALENDAR

Date: March 15, 2012

THE COMMITTEE ON Finance

to which was referred Senate Bill 150

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

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

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 7-0

CONSENT CALENDAR VOTE: 7-0

Senator Lou D'Allesandro for the Committee

SB 150-FN, authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies. The committee felt that this bill was well intended legislation but will increase the cost of health care for many individuals in the State of New Hampshire.

Shannon Whitehead 271-4980

New Hampshire General Court - Bill Status System

Docket of SB150

Docket Abbreviations

Bill Title: authorizing individuals and certain businesses to purchase health insurance from out-of-state insurance companies.

Official Docket of **SB150**:

Date	Body	Description
1/19/2011	S	Introduced and Referred to Commerce, **SJ 3**, Pg.38
2/10/2011	S	Hearing: 2/22/11, Room 100, State House, 9:40 a.m.; **SC11**
2/23/2011	S	Committee Report: Rereferred to Committee, 3/9/11; **SC14**
3/9/2011	S	Rereferred to Committee, MA, VV; **SJ 8**, Pg.86
1/11/2012	S	Committee Report: Ought to Pass, 1/18/12; **SC3**
1/18/2012	S	Without Objection, President Bragdon moved to Special Order SB 150 to 1/25/12
1/18/2012	S	Committee Report: Ought to Pass, 1/25/12
1/25/2012	S	Without Objection, President Bragdon moved to Special-Order SB 150 to 2/8/12; **SJ 3**, Pg.81
1/25/2012	S	Committee Report: Ought to Pass, 2/8/12; **SC6**
2/8/2012	S	Ought to Pass, **RC** 19Y-4N, MA; Refer to Finance Rule 4-3; **SJ 4**, Pg.105
2/9/2012	S	Hearing: 2/16/12, Room 103, SH, 1:00 p.m.; **SC7**
3/15/2012	S	Committee Report: Inexpedient to Legislate, 3/21/12; Vote 7-0; CC; **SC11**
3/21/2012	S	Sen. D'Allesandro Moved to Remove SB 150 from the Consent Calendar
3/21/2012	S	Inexpedient to Legislate, **RC** 19Y-5N, MA === BILL KILLED ===

NH House NH Senate

Other Referrals

SB 150

COMMITTEE REPORT FILE INVENTORY

_________ ORIGINAL REFERRAL ✓ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE 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

✓ HEARING REPORT

✓ HANDOUTS FROM THE PUBLIC HEARING

✓ PREPARED TESTIMONY AND OTHER SUBMISSIONS

✓ SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

✓ - AMENDMENT # 0669S ✓ - AMENDMENT # 0861S
____ - AMENDMENT # ____ ____ - AMENDMENT # ____

ALL AVAILABLE VERSIONS OF THE BILL:

✓ AS INTRODUCED ____ AS AMENDED BY THE HOUSE
____ FINAL VERSION ____ AS AMENDED BY THE SENATE

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

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

DATE DELIVERED TO SENATE CLERK 6-27-12 Shannon Whitehead
BY COMMITTEE AIDE

Revised 2011