

CONSENT CALENDAR

April 20, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Commerce and Consumer Affairs to
which was referred SB 285,**

**AN ACT relative to discount medical plan
organizations. Having considered the same, report the
same with the following amendment, and the
recommendation that the bill OUGHT TO PASS WITH
AMENDMENT.**

Rep. Joyce Weston

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	SB 285
Title:	relative to discount medical plan organizations.
Date:	April 20, 2022
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2022-1376h

STATEMENT OF INTENT

This bill, which was introduced at the request of the New Hampshire Insurance Department, modifies the registration requirements for discount medical plan organizations, of which there are currently 26 registered in the state. It requires an applicant to provide certain information by which the commissioner can determine whether the applicant is financially responsible, competent, trustworthy, of adequate expertise and experience, and of good personal and business reputation. The bill also clarifies grounds for suspension or revocation of registration.

Vote 18-0.

Rep. Joyce Weston
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

SB 285, relative to discount medical plan organizations. **OUGHT TO PASS WITH AMENDMENT.** Rep. Joyce Weston for Commerce and Consumer Affairs. This bill, which was introduced at the request of the New Hampshire Insurance Department, modifies the registration requirements for discount medical plan organizations, of which there are currently 26 registered in the state. It requires an applicant to provide certain information by which the commissioner can determine whether the applicant is financially responsible, competent, trustworthy, of adequate expertise and experience, and of good personal and business reputation. The bill also clarifies grounds for suspension or revocation of registration. **Vote 18-0.**

Original: House Clerk
Cc: Committee Bill File

Rep. Hunt, Ches. 11
April 8, 2022
2022-1376h
07/05

Amendment to SB 285

1 Amend RSA 415-I:5, III(c)(3) as inserted by section 1 of the bill by replacing it with the following:

2

3 (3) Is competent, trustworthy, financially responsible, or of good personal and

4 business reputation.

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on SB 285

BILL TITLE: relative to discount medical plan organizations.

DATE: April 20, 2022

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Weston

Seconded by Rep. Hunt

AM Vote: 18-0

Amendment # 2022-1376h

Moved by Rep. Weston

Seconded by Rep. Hunt

Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Keith Ammon, Clerk



2022 SESSION

Commerce and Consumer Affairs

Bill #: SB 285 Motion: OTPA AM #: _____ Exec Session Date: 4/20/22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	18		
Potucek, John M. Vice Chairman	1		
Osborne, Jason M.	2		
Ammon, Keith M. Clerk	3		
Abramson, Max			
Ham, Bonnie D.	4		
Depalma IV, Joseph	5		
Greeson, Jeffrey	6		
Johnson, Dawn M.	7		
Terry, Paul A.	8		
Bartlett, Christy D.	9		
Abel, Richard M.	10		
Herbert, Christopher J.	11		
Van Houten, Constance	12		
Fargo, Kristina M.	13		
Weston, Joyce	14		
Beaulieu, Jane E.	15		
Burroughs, Anita D.	16		
McAleer, Chris R.	17		
TOTAL VOTE:	18	0	



2022 SESSION

Commerce and Consumer Affairs

Bill #: SB285 Motion: OTF AM #: 1376h Exec Session Date: 4/29/22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	18		
Potucek, John M. Vice Chairman	1		
Osborne, Jason M.	2		
Ammon, Keith M. Clerk	3		
Abramson, Max			
Ham, Bonnie D.	4		
Depalma IV, Joseph	5		
Greeson, Jeffrey	6		
Johnson, Dawn M.	7		
Terry, Paul A.	8		
Bartlett, Christy D.	9		
Abel, Richard M.	10		
Herbert, Christopher J.	11		
Van Houten, Constance	12		
Fargo, Kristina M.	13		
Weston, Joyce	14		
Beaulieu, Jane E.	15		
Burroughs, Anita D.	16		
McAlear, Chris R.	17		
TOTAL VOTE:	18	0	

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on SB 285

BILL TITLE: relative to discount medical plan organizations.

DATE: April 7, 2022

Subcommittee Members: Reps. Hunt, Terry, Greeson, Fargo and Burroughs

Comments and Recommendations: Needs Amendment

Respectfully submitted,

Rep. John Hunt
Subcommittee Chairman

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on SB 285

BILL TITLE: relative to discount medical plan organizations.

DATE: 4/7/22

Subcommittee Members: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Comments and Recommendations:

Needs Amendment

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. Seconded by Rep. AM Vote:

Adoption of Amendment #

Moved by Rep. Seconded by Rep. Vote:

Amendment Adopted Amendment Failed

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. Seconded by Rep. AM Vote:

Adoption of Amendment #

Moved by Rep. Seconded by Rep. Vote:

Amendment Adopted Amendment Failed

Respectfully submitted,

Rep. [Signature] Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on SB 285

BILL TITLE: relative to discount medical plan organizations.

DATE: April 20, 2022

Subcommittee Members: Reps. Hunt, Greeson, Johnson, Bartlett and Weston

Comments and Recommendations:

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Weston

Seconded by Rep. Hunt

AM Vote: 5-0

Amendment # 2022-1376h

Moved by Rep. Weston

Seconded by Rep. Hunt

Vote: 5-0

Respectfully submitted,

Rep. John Hunt
Subcommittee Chairman

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on SB 285

BILL TITLE: relative to discount medical plan organizations.

DATE:

Subcommittee Members: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Comments and Recommendations:

Three horizontal lines for writing comments and recommendations.

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. Weston Secoded by Rep. Hunt AM Vote: 5-0 Adoption of Amendment # 1376

Moved by Rep. Secoded by Rep. Vote:

Amendment Adopted Amendment Failed

MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)

Moved by Rep. Weston Secoded by Rep. Howt AM Vote: 5-0 Adoption of Amendment #

Moved by Rep. Secoded by Rep. Vote:

Amendment Adopted Amendment Failed

Respectfully submitted,

Rep. [Signature] Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE & CONSUMER AFFAIRS

PUBLIC HEARING on Bill # SB285

BILL TITLE:

DATE: 4/6/2022

ROOM: Zoom Time Public Hearing Called to Order: 1:16 PM

Time Adjourned: 1:29 PM

(please bold if present)

Committee Members: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Sen Kevin Kavanaugh

I'm introducing Senate bill 285 at the request of the insurance department to incorporate additional provisions of the national association of insurance commissioners model law, number 98 on discount medical plan organizations, these updates add additional requested information on the registration application, minimum capital requirements, registration, renewal procedures, conditions for suspension, revocation of registration. Michelle Heaton is here from the insurance department to go into more detail on this and answer any questions of the committee. And thank you very much for your consideration. And I hope you have a quick afternoon. Thank you.

Michelle Heaton - NH Ins Dept

Hi, again, Michelle Heaton from the New Hampshire insurance department, I'm the health law policy legal counsel. And to answer your question, this bill is amending the registration requirements for discount medical plans.

Q: Rep Hunt - Can you explain what that is?

A: So these are not insurance. These are discount plans where a person could either subscribe, pay a monthly fee, join some app, something like that. And in doing so they would have access to potential discounts on health services. So for example, common one would be a drug discount plan. And you've probably seen commercials for these on TV where, you know, you have this app or you pay this fee of \$5 a month. And when you go to the pharmacy, you can show them this card and you may get a better discount than what you would get with your

Q: Rep Hunt - Insurance. Well, my pharmacist reach over the counter and just grabs his cart and hands it to me.

A: Yeah. Similar to that.

Q: Rep Hunt - Okay. So that's what we're talking about, these, those people.

A: Yes. So, and they're not insurance because there is no risk. You're not guaranteed any discount and some of these services are available without ever actually collecting any money from patients or clients or consumers they're available to anyone. So what we're trying to do with this bill is just make sure that these organizations have minimal minimum capital requirements. And that if they are no longer solvent, we have the ability to revoke their registration, to operate as a discount medical plan.

Q: Rep Terry - Thank you, Mr. Chairman. so do I understand that now to get very specific here with an example I have a good RX, a discount card for pharmacy there currently. There's no regulation of, of good RX, but under this statute there would now be regulation of good RX and similar entities.

A: So we do already regulate discount medical plans. We have we adopted the model, the N E I C model number 98, relating to discount medical plans. And the chapter RSA four 15, I is specific to discount medical plans. What we're doing here is we're only changing the registration requirements to put in some minimum standards. So in order now, if this were to pass in order to get this registration, you would have to as part of the registration process, we would be asking whether your registration had been suspended, denied, revoked in any other jurisdiction, if you're under investigation in any other jurisdiction. And then we'd also ask them to present evidence showing at a network net worth of at least \$150,000. So we're just putting in these additional requirements to make sure that these types of plans are solvent and are not operating in a fraudulent manner,

Q: Rep McAleer - Uh thank you very much. A question, a couple of questions. If you don't mind, how many of these organizations do we have in New Hampshire right now? Do you know?

A: I do not know, but I can get back to you on that.

Q: Rep McAleer - And second question. So this really has nothing to do with the, with what they offer it really has to do with the organization itself. Is that correct? How they're structured and, and, and the fact that they're financially sound, as opposed to you, you have to, if you're gonna offer this, you gotta be, it's gotta look like that, or is nothing to do with that. As I understand it,

A: This amendment is only talking about the financial regulations, but overall the chapter, there are regulations okay, about how you advertise. And there has to be disclaimers. The, the concern that comes about with these is we don't want these types of plans being marketed as being health insurance, or having similar benefits to health insurance. And sometimes they can be marketed in a way that would confuse consumers. So the reason we have this statute is to make sure that to the extent these entities are operating in New Hampshire, they're meeting those requirements, that there's proper disclosures, so that there is no confusion with whether this is medical insurance and what it's going to cover, and that there is no guarantee. This is just the potential of a discount.

Q: Rep Fargo - Thank you for your testimony and my question. And, and see the commissioner can get information that would help him make his decision. But number three, he's judging whether someone is of good character. And I question, what does that mean and how would that determination be made?

A: So the good character is the type of provision we do have in some of our other registration licensing requirements. What that generally includes is that there would be background checks for the the board of directors or whoever's running, running this entity. And that the reason we have those in place is because people who have engaged in fraudulent activities in other states with other entities, we don't want them just establishing this new entity and coming into our state and potentially doing something like that. So it's usually one of the requirements we have just to make sure that those bad actors are not allowed to do that New Hampshire follow up

Q: Rep Fargo - Shouldn't we spell that out because I totally understand what you're saying, and I think it's good. But we don't say that it has to be a background check or anything like that. I just, I'm wondering if we should be more specific about that particular thing so that it's not arbitrary or capricious in any way.

A: We could, this is the language used in the model. And one of the drawbacks to putting in too much limiting language there is that if we were to put in something like you had to have been convicted of fraud while this person could be under investigation in many states, a lot of people are looking at 'em, maybe they had settlement agreements, but there was no actual conviction of fraud. So would that qualify under here? You know, that's the type of thing that good character encompasses all of those types of situations. And that is what is in the NA I C model. But if the committee feels that needs to be amended we'd be happy to work with you on better language.

Q: Rep Fargo - Yeah. I, I think the background check minimally might be something that we would wanna put in as a requirement. But again, I do you always do a background check? Is that part of the process?

A: Currently for these? No, because there is no requirement for that. It depends on the type of entity. So for example TPAs third party administrators in their application, that is part of, one of the requirements to become an insurance company. If you're filing an application for that, you definitely need to have background checks for everyone. That's gonna be involved in the management. So it is something that's typically done for a lot of our licensed and regulated entities. But currently for the discount medical plans, there's minimal very, very minimal provisions of who can apply for these. And there's not much done to oversee. Who's getting these registrations in that, and that's why we're trying to get this language adopted so that we can do a better job of regulating who is allowed to operate a discount medical plan.

Q: Rep Johnson - Thank you for taking my question. Kind of piggybacking on what representative Fargo said. So there any nowhere else in the statute, it doesn't define cuz that was my question. It doesn't define what a good character is anywhere else in the statute.

A: No.

Q: Rep Terry - Following on the troublingly vague description, good character. Do you have, you don't have in law, do you have an administrative procedures or manuals a a definition of good character? Is it described elsewhere? I thought I heard you made reference to something or somewhere else.

A: No, this the standard of good char or of good character appears in various statutes, but I don't believe we have any administrative rules that further define what good character is. Usually it's in

the at the discretion of the commissioner. So if the commissioner finds, you're not of good character, that would be a basis for denying an application

Rep Terry

It, it seems to me that that an improvement could be made here by providing some specific, some measurements, some specificity this, this is troublingly vague and it seems to me it would be for the applicant as well as for the, the party who's going to be making the determination. If I was in a position of having to determine good character, that was not defined in any way, I, I would be, I'd be uncomfortable with that. So I, I think some thoughts should be given to that to improve that. Thank you.

Rep Beaulieu

Thank you, Mr. Chair. thank you for taking my question. Actually. It's not a question it's just follow up. There is a definition of good character, good character have traits like integrity, honesty, courage, loyalty, fortitude, and other important virtues that promote good behavior. So there is a definition.

Rep Johnson

I asked about being in statute.

Respectfully submitted,

Rep. Keith Ammon, Clerk

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill **SB285** on 2022-04-06

Support: 1 Oppose: 0 Neutral: 0 Total to Testify: 0

[Export to Excel](#)

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
Erenbaum, Allen	Los Angeles, CA allen@erenbaum.com	A Member of the Public	Consumer Health Alliance	Support	No	No	4/5/2022 6:48 PM

SB 285 - AS AMENDED BY THE SENATE

02/16/2022 0636s

2022 SESSION

22-2932

11/05

SENATE BILL **285**

AN ACT relative to discount medical plan organizations.

SPONSORS: Sen. Cavanaugh, Dist 16; Rep. Potucek, Rock. 6; Rep. Bartlett, Merr. 19

COMMITTEE: Health and Human Services

AMENDED ANALYSIS

This bill modifies registration requirements for discount medical plan organizations.

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

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to discount medical plan organizations.

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

1 1 New Paragraphs; Discount Medical Plan Organizations; Registration Requirement. Amend
2 RSA 415-I:5 by inserting after paragraph II the following new paragraphs:

3 III. Each applicant for a certificate of registration shall make an application to the
4 commissioner upon a form to be furnished by the commissioner and fee paid pursuant to RSA 400-
5 A:29, XXII(a). The application shall include or be accompanied by the following information and
6 documents:

7 (a) Whether a previous application for a certificate of registration has been denied,
8 revoked, suspended, or terminated for cause in any jurisdiction.

9 (b) Whether the applicant is under investigation for or the subject of any pending action
10 or has been found in violation of a statute or regulation in any jurisdiction within the previous 5
11 years.

12 (c) Information, as the commissioner may require, that permits the commissioner, after
13 reviewing all of the information submitted pursuant to this section, to make a determination that
14 the applicant:

15 (1) Is financially responsible and maintains a net worth of at least \$150,000 at all
16 times;

17 (2) Has adequate expertise or experience to operate a discount medical plan
18 organization; and

19 (3) Is of good character.

20 IV. Each certificate of registration shall expire each year on June 1. At least 60 days before
21 a certificate of registration expires, the discount medical plan organization shall submit a renewal
22 application to the commissioner upon a form to be furnished by the commissioner and fee paid
23 pursuant to RSA 400-A:29, XXII(b).

24 2 New Subparagraphs; Discount Medical Plan Organizations; Suspension and Revocation of
25 Registration. Amend RSA 415-I:6, I by inserting after subparagraph (c) the following new
26 subparagraphs:

27 (d) The discount medical plan organization does not have the minimum net worth as
28 required RSA 415-I:5, III(c)(1).

29 (e) The continued operation of the discount medical plan organization would be
30 hazardous to its members.

31 3 Effective Date. This act shall take effect 60 days after its passage.