

# Senate Health and Human Services Committee

*Kyle Baker 271-2609*

**SB 157**, relative to network adequacy and consumer rights under the managed care law.

**Hearing Date:** February 14, 2017

**Time Opened:** 1:30 p.m.

**Time Closed:** 2:00p.m.

**Members of the Committee Present:** Senators Bradley, Avard, Gray, Fuller Clark and Hennessey

**Members of the Committee Absent :** None

**Bill Analysis:** This bill adds rulemaking for persons with substance use disorder for the purposes of the managed care law. This bill also requires health carriers to notify covered persons of their rights as a managed care consumer.

## **Sponsors:**

Sen. Feltes

Sen. Fuller Clark

Sen. Hennessey

Sen. Kahn

Sen. Lasky

Sen. Soucy

Sen. Watters

Sen. Woodburn

Rep. Luneau

Rep. Williams

Rep. Butler

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**Who supports the bill:** Sen. Watters, SD# 4; Sen. Kahn, SD# 10; Sen. Lasky, SD# 13; Sen. Feltes, SD#15; Michele Merritt, New Futures; Ken Norton, NAMI NH

**Who opposes the bill:** None

**Who is neutral on the bill:** Tyler Brannen, NHID; Paula Rogers, Anthem

## **Summary of testimony presented in support:**

### **Senator Feltes – Senate District 15**

- This bill continues to ensure that there is parity for mental health treatment and medical surgical services.
- This bill seeks to rectify some consumer rights in the managed care program.
- If you cannot find services in network you are supposed to be able to access them out of network but many people do not know this.
- This bill would require that carriers notify the insured that they can go out of network for services in the event that services are not available in network.

- The bill also requires the notification of appeal rights when they get denied.
- We need to make sure people can get access to the mental health and substance abuse treatment they need.
- Modest step to make sure people know what their rights are.
- Many carriers are already doing this and this bill would make it a requirement across all of the carriers.

**Michelle Merritt – New Futures**

- Supports
- Passage of this bill would increase consumer awareness of their rights and improve access to critical behavioral health services.
- If a carrier does not have capacity for a particular service in network the carrier is required to provide the service from out of network but many people do not know their rights.
- When a patient calls their insurance company they are provided a list of providers that they can go to for treatment but they are often not informed of their rights for out of network services if there is no capacity in network.
- Common sense bill to increase awareness for consumers.
- Does not impose any new obligations for insurance carriers to cover services.

**Ken Norton – NAMI NH**

- Lack of out-patient care plays a big role in the long waits in the ER for care.
- People often call providers for help but many of the providers are no longer taking new patients and the wait times can be months to get an initial appointment.
- NAMI released a report outlining the disparity between getting prompt healthcare for mental health and people getting care for medical and surgical services.
- When someone is in need of mental healthcare it is often a critical moment and patients and families will do whatever they need to do. They might pay out of pocket for out of network services because they are not aware

**Sen. Fuller Clark** – Does out of network mean someone can go out of state.

**Norton** – Would defer to the insurance department for that question.

**Sen. Fuller Clark** – There is an increase in the need for mental health services in colleges across the country. Can you speak to this?

**Norton** – Yes this is being documented and that is why it is important to make sure that there are the appropriate services available for people that need them.

**Summary of testimony presented in opposition:** None

## **Neutral Information Presented:**

### **Tyler Brannen – NHID**

- The department is neutral on this bill but they do feel that the increasing notification of network adequacy, especially for substance use disorders is likely to support the goals of the department as they rework their network adequacy rule to fit the new model the department is going forward with.
- One thing that insurance carriers need to be careful of is adverse selection.
  - o Adverse selection is where a carrier that provides the best information about certain services will most likely attract the most people needing that service. This means that a carrier that provides the most information about SUD services will tend to attract the most people needing those services. This can be costly for a carrier because this particular population may be more expensive on a number of different fronts
  - o Worried about how adverse selection can determine the amount of information a carrier shares on initial contact with their insured.
- NH has had network adequacy laws on the books for a long time
- Network adequacy does not mean adequate coverage it simply means that a certain number of providers on in the network.
- The department did a report that looks at the payment levels for SUD treatment.
  - o Report concluded that all the private carriers are paying less than Medicare for these services
- The department thinks this bill would support the new model the insurance department is moving forward with to increase access and coverage for mental health and substance use disorders.

**Sen. Bradley** – Are there any costs associated with this?

**Brannen** – If you are forcing insurance companies to contract with people they have not contracted with before there would be higher payments paid for this population which could lead to an increase in premiums.

### **Paula Rogers – Anthem**

- No issue with adding persons with substance use disorders to those covered under RSA 420-J:7,IIb
- Concerned with the new section because we are not sure where Anthem is as far as compliance with the new section.
- Concerned with the comments from the Insurance Department that the payment from carriers for substance abuse disorders is substantially less than Medicare. Anthem has taken exception to the report put out by the department

and has been in talks with the Commissioner and the report developers with no positive outcomes so far.

- Anthem will get back to the committee with more information.

**Future Action:** Pending

KRB

Date Hearing Report completed: February 15, 2017