

Senate Health and Human Services Committee

Kyle Baker 271-2609

SB 149, authorizing individuals and certain businesses to purchase health insurance from out-of-state companies.

Hearing Date: February 17, 2017

Time Opened: 1:45pm

Time Closed: 2:00pm

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

Members of the Committee Absent : None

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

Sponsors:

Sen. Sanborn

Sen. French

Rep. Pearl

Rep. Cordelli

Rep. Vose

Who supports the bill: Will Anderson; Rep. Howard Pearl;

Who opposes the bill: Liz Kennett, ADA GSDE; Chris Rueggeberg, NHCDD

Who is neutral on the bill: Tyler Brannen, NHID

Summary of testimony presented in support:

Senator Sanborn – Senate District 9

- Health Insurance is too expensive
- We have an opportunity to increase competition for health insurance options
- If you are a large company and self-fund your health insurance you are not bound by many of the regulations that the small companies must follow.
- We need to make sure that when we are looking to open up the market and allow the purchase of insurance across state lines we need to make sure we are doing what is best for the state.
- The NAIC is a large organization that works to increase consistency among the states as they develop their statutes.

- We allow the purchase of all types of insurance across state lines except health insurance.
- In NH we have many mandates for insurance coverage which were roadblocks to purchasing insurance across state lines but the ACA set a national mandate that insurers must have a minimum essential benefit in their policies.
- Insurance companies can operate across state lines but we do not allow residents in the state to buy health insurance across state lines.
- In the bill there is a requirement that if you want to buy insurance across state lines it must be from a state that uses NAIC model statutes in their insurance law.
- The bill also requires that if a policy needs to be adjudicated, the adjudication will take place in NH.
- Detractors will say that plans from outside the state will not have a built network in this state. This is true but if they want sell plans in the state they will need to build networks in order to get anyone to buy their plans.

Sen. Bradley – Would you be ok with an amendment that stated if the ACA mandates change a carrier would be required to offer a NH mandate plan and a non-NH Mandate plan so it would be a consumer choice?

Sen. Sanborn – Yes. That would be appropriate.

Sen. Bradley – But only if the ACA changes.

Sen. Sanborn – If the essential benefit does not change then the NH mandates plan would not be needed.

Sen. Fuller Clark – Concerned with unintended consequences. Do we risk no one offering insurance in NH because there would not be a large enough pool to make it work?

Sen. Sanborn – In cases such as Expanded Medicaid, we have seen that when the government allows new companies come into the state for insurance, new carriers will come into the state. We also know that it only takes about 3000 people to make a pool for the purpose of creating insurance markets.

Summary of testimony presented in opposition:

Lizz Kennett – American Diabetes Associations

- Opposed
- Would allow for the sale of insurance that does not include the mandate for diabetes care education.
- The treatment of diabetes is very complex and often involved complex equipment that requires education from a diabetes educator.
- Non-compliance with the equipment and treatment is very dangerous and often

results in Emergency room visits.

- There is a rising amount of people with diabetes and it is important to make sure that they are educated to best treatment practices.
- If the mandate goes away all of this is at risk.

Chris Ruddeburg – Council on Developmental Disabilities

- Opposed
- This bill is not the right way to reduce healthcare costs.
- The mandates on NH insurance plans are a very small amount of the cost in insurance premiums.
- Submitted written testimony.

Neutral Information Presented:

Tyler Brannen – NH Insurance Department

- Neutral
- Do have technical concerns.
- There is no law that prohibits the purchase of an out of state health insurance plan but the plan needs to be approved to be marketed in the state by the department.
- Big focus is on the network adequacy because we do not want to people to be led into buying an insurance plan that's closest doctor in out of state.
- The bill does have to sets of rules need to be adopted.
- Concerned with the adjudication rules that could be contradicted by other states insurance laws that state that adjudication must take place in their state.
- Essential health benefits are set mainly by the individual states.
- An alternative would be to pass legislation allowing the sale of insurance without the mandates.

Future Action: Pending

KRB

Date Hearing Report completed: February 17, 2017