

HB 611 - AS INTRODUCED

2017 SESSION

17-0238

01/10

HOUSE BILL                    **611**

AN ACT                    relative to portability, availability, and renewability of health coverage.

SPONSORS:            Rep. W. Marsh, Carr. 8; Rep. J. Edwards, Rock. 4; Rep. Fothergill, Coos 1; Rep. Crawford, Carr. 4; Rep. Avellani, Carr. 5; Sen. Bradley, Dist 3

COMMITTEE:          Commerce and Consumer Affairs

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ANALYSIS

This bill clarifies premium rates for individuals and small employers under the law relating to portability, availability and renewability of health care coverage.

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT                      relative to portability, availability, and renewability of health coverage.

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

1            1 Portability, Availability and Renewability of Health Coverage; Premium Rates; Individuals  
2 RSA 420-G:4, I(d) is repealed and reenacted to read as follows:

3            (d) In establishing the premium charged, health carriers providing coverage to  
4 individuals shall calculate a rate that is derived from the health coverage plan rate through the  
5 application of rating factors that the carrier chooses to utilize for age, health status, and tobacco  
6 use. Such factors shall be utilized with the following limitations:

7            (1) The maximum premium differential for age as determined by ratio shall be 4 to  
8 1. The limitation shall not apply for determining rates for an attained age of less than 19.

9            (2) The maximum differential due to health status shall be 1.5 to 1 and the  
10 maximum rate due to tobacco use shall be 1.5 to 1. Rate limitations based on health status shall  
11 apply to rate variations based on an insured's status as a tobacco user.

12            (3) Permissible rating characteristics shall not include changes in health status  
13 after issue.

14            2 New Subparagraph; Portability, Availability and Renewability of Health Coverage; Premium  
15 Rates; Small Employers. Amend RSA 420-G:4, I by inserting after subparagraph (d) the following  
16 new subparagraph:

17            (dd) In establishing the premium charged, health carriers offering coverage to small  
18 employers shall calculate premium rates that are derived from the health coverage plan rate by  
19 making adjustments to reflect one or more case characteristics. Such adjustments from the health  
20 coverage plan rate shall be made with the following limitations:

21            (1) In establishing the premium rates, health carriers offering coverage to small  
22 employers shall use only age, group size, and industry classification as case characteristics. No  
23 consideration shall be given to health status, claim experience, duration of coverage, geographic  
24 location, or any other characteristic of the group.

25            (2) Carriers making adjustments from the health coverage plan rate for age may do  
26 so only by using the following age brackets:

27 0-18

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7 (3) The maximum premium rate differential after adjusting for all case  
8 characteristics as determined by ratio shall be 3.5 to 1. This limitation shall not apply for  
9 determining premium rates for covered persons whose attained age is less than 19.

10 (4) In establishing the premium rates, health carriers offering coverage to small  
11 employers may make further adjustments based on family composition.

12 (5) The small employer health carrier shall set premium rates for small employers  
13 after consideration of case characteristics of the small employer group as well as family composition.  
14 No small employer health carrier shall inquire regarding health status or claims experience of the  
15 small employer or its employees or dependents until after the premium rates have been agreed  
16 upon by the carrier and the employer.

17 (6) Carriers may calculate premium rates using either list billing or composite  
18 billing. Carriers shall use the same billing method in all succeeding rating periods unless the small  
19 employer agrees to allow the carrier to change the methodology.

20 3 New Section; Portability; Availability and Renewability of Health Coverage; Contingency  
21 Added. Amend RSA 404-G by inserting after section 12 the following new section:  
22 404-G:13 Contingency.

23 I. Notwithstanding RSA 404-G:11 or any other provision of this chapter, if the  
24 commissioner determines that federal or state legislative changes have created a situation in which  
25 guaranteed issue coverage is no longer available in the individual market, the commissioner may  
26 order the association to file and implement a plan of operation to resume providing coverage under  
27 this chapter to all residents of the state who are denied health insurance for medical or health  
28 reasons under the high risk pool authorized pursuant to RSA 404-G:5-b.

29 II. An order issued under paragraph I shall remain in effect until the effective date of an  
30 amendment to this chapter further specifying the terms of the renewal of high risk pool coverage.

31 4 Applicability. Sections 1-3 of this act shall take effect on the date 42 U.S.C. section 300gg is  
32 repealed as certified by the commissioner of insurance to the secretary of state and the director of  
33 legislative services.

34 5 Effective Date.

35 I. Sections 1-3 of this act shall take effect as provided in section 4 of this act.

36 II. The remainder of this act shall take effect upon its passage.