

CHAPTER 200
HB 526-FN – FINAL VERSION

13Mar2013... 0349h
05/23/13 1589s

2013 SESSION

13-0541
01/04

HOUSE BILL **526-FN**

AN ACT relative to termination of activities and dissolution of the association created
 under RSA 404-G.

SPONSORS: Rep. Butler, Carr 7

COMMITTEE: Commerce and Consumer Affairs

AMENDED ANALYSIS

This bill establishes a procedure for the termination of activities and dissolution of the association created pursuant to RSA 404-G for the operation of the high risk pool.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to termination of activities and dissolution of the association created under RSA 404-G.

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

1 200:1 New Section; Termination of Activities and Dissolution. Amend RSA 404-G by inserting
2 after section 10 the following new section:

3 404-G:11 Termination of Activities and Dissolution. Notwithstanding the provisions of
4 RSA 404-G:1 – RSA 404-G:7, the association shall undertake the winding down and cessation of the
5 risk sharing subsidy mechanism, the high risk pool and the federally qualified high risk pool, and
6 the dissolution of the association, as follows:

7 I. The risk sharing subsidy mechanism described in RSA 404-G:5 shall cease. The final
8 subsidies shall be determined based on calendar year 2013 experience and paid to eligible carriers in
9 2014.

10 II. The risk adjustment and subsidization established by the commissioner through Ins 1908
11 with respect to individual health policies to children under age 19 shall cease. The final subsidies
12 shall be determined based on calendar year 2013 experience and disbursed in accordance with the
13 association's disbursement plan as approved by the commissioner.

14 III. The high risk pool under RSA 404-G:5-b shall cease in accordance with the following:

15 (a) Health care coverage provided by the pool shall cease at the close of business on
16 December 31, 2013;

17 (b) On or before November 1, 2013, the association, through the high risk pool
18 administrator, shall notify all individuals currently enrolled in the pool of the year-end termination
19 of coverage;

20 (c) The association may renew coverage for existing enrollees or enroll new individuals
21 in the high risk pool until December 1, 2013; provided, that at the time of renewal or application,
22 such enrollees are given notice that pool coverage will terminate on December 31, 2013;

23 (d) Insurance laws and regulations providing for guaranteed renewal and guaranteed
24 premiums for a period of 12-months, and any similar insurance laws or regulations, shall not apply
25 to the high risk pool to the extent that they are inconsistent with this section;

26 (e) No individual shall be eligible for coverage through the high risk pool on or after
27 January 1, 2014; and

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1 (f) The association may extend the contract of the existing high risk pool administrator
2 without a competitive bidding process through the period of time required to wind down the
3 operations of the high risk pool.

4 IV. Coverage under the federally qualified high risk pool described in RSA 404-G:5-g shall
5 cease as of the close of business on December 31, 2013, and the pool shall dissolve in accordance with
6 the Act and as directed by, and under the contract of the association with, the Secretary of the
7 United States Department of Health and Human Services.

8 V. The board of directors of the association shall prepare and submit to the commissioner for
9 approval within 60 days of the effective date of this section, a plan of termination which shall be an
10 amendment to the plans of operation described in RSA 404-G:5 and RSA 404-G:5-a. The plan of
11 termination shall provide for such administrative measures as are necessary or desirable to
12 terminate the risk sharing subsidy mechanism, under 19 subsidy mechanism, high risk pool and
13 federally qualified high risk pool, and such provisions shall not be inconsistent with this section.

14 VI. Following the cessation of coverage on December 31, 2013, the association shall take
15 such actions as are necessary and desirable to wind down its affairs under this chapter in accordance
16 with the plan of termination. The association shall retain all of its powers and duties, including, but
17 not limited to, its power to establish and collect regular and special assessments under RSA 404-G:5
18 and RSA 404-G:5-a, and the immunity provided by RSA 404-G:9 and the bylaws of the association.
19 Any excess funds remaining after the satisfaction of all of the association's liabilities shall be
20 returned to the association's members in proportion to their respective liability for the last regular
21 assessments imposed by the association.

22 VII. When the association has completed the winding down of its affairs under this chapter
23 and satisfied in full all of its liabilities, then it shall submit to the commissioner for approval a plan
24 of dissolution. Upon approval of the plan of dissolution, the association shall file a certificate of
25 dissolution with the secretary of state, whereupon the association shall cease to exist.

26 200:2 New Section; Contingency. Amend RSA 404-G by inserting after section 11 the following
27 new section:

28 404-G:12 Contingency.

29 I. Notwithstanding RSA 404-G:11, if the commissioner determines that high risk pool
30 enrollees will not have access to guaranteed issue coverage in the commercial marketplace on
31 January 1, 2014, the commissioner may order the association to continue to provide coverage under
32 the high risk pool authorized pursuant to RSA 404-G:5-b. Any such order by the commissioner shall
33 be issued no later than December 1, 2013, after consultation with the oversight committee on health
34 and human services, established under RSA 126-A:13.

35 II. An order issued under paragraph I shall remain in effect until the earlier of the following:

36 (a) The date on which the commissioner determines that high risk pool enrollees have

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1 access to guaranteed issue coverage; or

2 (b) The effective date of any order executed by the commissioner pursuant to RSA 404-C
3 addressing the availability of health insurance.

4 200:3 Effective Date. This act shall take effect upon its passage.

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6 Approved: July 9, 2013

7 Effective Date: July 9, 2013