

HB 1158-FN – AS INTRODUCED

2014 SESSION

14-2475
01/04

HOUSE BILL ***1158-FN***

AN ACT relative to insurance incentives to lower costs of health care.

SPONSORS: Rep. Kurk, Hills 2

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill requires health insurance carriers issuing health benefit plans under the managed care law to offer financial incentives to covered persons for choosing certain health care providers.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to insurance incentives to lower costs of health care.

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

1 1 New Section; Financial Incentives for Choosing Certain Health Care Providers. Amend
2 RSA 420-J by inserting after section 8-d the following new section:

3 420-J:8-e Financial Incentives for Covered Persons.

4 I. Health carriers shall provide covered persons with a financial incentive to obtain care for
5 specific health care services from a less expensive health care provider.

6 (a) The price of health care services shall be based on the contract payment rate between
7 the carrier and the health care provider for services received from a health care provider
8 participating in the carrier's provider network for the health insurance product.

9 (b) The provisions of this section shall apply to the carrier when the covered person
10 receives the following health care services: ambulatory surgery, outpatient laboratory, radiology,
11 maternity care, eye care, services using telemedicine, primary care, physical therapy, durable
12 medical equipment, emergency or urgent care, and rehabilitation services.

13 (c) The less expensive health care provider may be within the same specialty and
14 holding the same license to provide medical services, or of a different specialty or medical license, but
15 shall be able to perform the same service.

16 (d) The financial incentive shall be the greater of \$25 or 25 percent of the savings that
17 accrued to the carrier as a result of the member selecting the less expensive health care provider.
18 The incentive shall be paid to the member in cash, by check, or at the option of the covered person,
19 reductions in covered person cost sharing, either through a reduced deductible amount, coinsurance
20 due, copayments, or other financial incentives.

21 (e) Carriers shall inform covered persons regarding their benefits offered under this
22 section.

23 II. Nothing in this section shall be construed to authorize covered persons to obtain care
24 from unlicensed health care providers.

25 2 Effective Date. This act shall take effect January 1, 2015.

HB 1158-FN - FISCAL NOTE

AN ACT relative to insurance incentives to lower costs of health care.

FISCAL IMPACT:

The Insurance Department states this bill, **as introduced**, may decrease state general fund revenue, decrease county expenditures, and decrease local expenditures by an indeterminable amount in FY 2015 and each year thereafter. There is no fiscal impact on state expenditures, or county and local revenue.

METHODOLOGY:

The Insurance Department states this bill requires insurance plans to provide financial incentives to insureds to encourage them to receive certain services from lesser expensive providers. The Department states this bill will lead to lower aggregate costs as more insureds will choose less expensive providers, and/or lead to less disparity in provider contracting rates as higher priced providers will strive to avoid not being part of the incentive program. The state is self-insured and state expenditures will not be affected. To the extent counties and locals have a decrease in premiums as a result of this bill, they may have a decrease in expenditures. Premium tax revenue may decrease if insurers decrease premiums as a result of this bill.