

**HB 1242-FN – AS AMENDED BY THE HOUSE**

20Mar2014... 0896h

2014 SESSION

14-2239  
01/04

HOUSE BILL            ***1242-FN***

AN ACT                relative to deductibles, coinsurance, and out-of-pocket maximums under health insurance policies.

SPONSORS:            Rep. Sherman, Rock 24; Rep. Rosenwald, Hills 30; Sen. Fuller Clark, Dist 21

COMMITTEE:          Commerce and Consumer Affairs

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AMENDED ANALYSIS

This bill requires insurers issuing accident and health insurance policies to credit insured members who maintain continuous coverage, for member cost sharing made during the prior policy period when the new policy is for fewer than 12 months.

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                                Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Fourteen*

AN ACT                   relative to deductibles, coinsurance, and out-of-pocket maximums under health insurance policies.

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

1           1 New Section; Insurance; Individual; Yearly Cost Sharing. Amend RSA 415 by inserting after  
2 section 6-r the following new section:

3           415:6-s Credit for Cost Sharing. Each insurer that issues or renews any individual policy, plan,  
4 or contract of health insurance that constitutes health coverage, shall credit insured members who  
5 maintain continuous coverage, for member cost sharing made during the prior policy period when  
6 the new policy is for fewer than 12 months. Credit shall apply to the annual policy deductible,  
7 coinsurance, or annual out-of-pocket maximum stated in the new policy. Credit shall be given for  
8 cost sharing paid and applied to claims with a date of service within 12 months prior to the  
9 termination date of the new policy. This section shall apply regardless of whether the covered  
10 member changes carriers, or moves from the group market or self-funded market to the individual  
11 market. Credit shall be provided for covered health care services that require cost sharing under the  
12 new policy. Nothing in this section shall be construed to require carriers to adopt a 12-month rolling  
13 cost sharing cycle.

14           2 New Section; Insurance; Group; Yearly Cost Sharing. Amend RSA 415 by inserting after  
15 section 18-w the following new section:

16           415:18-x Credit for Cost Sharing. Each insurer that issues or renews any group policy, plan, or  
17 contract of health insurance that constitutes health coverage, shall credit insured members who  
18 maintain continuous coverage, for member cost sharing made during the prior policy period when  
19 the new policy is for fewer than 12 months. Credit shall apply to the annual policy deductible,  
20 coinsurance, or annual out-of-pocket maximum stated in the new policy. Credit shall be given for  
21 cost sharing paid and applied to claims with a date of service within 12 months prior to the  
22 termination date of the new policy. This section shall apply regardless of whether the covered  
23 member changes carriers, or moves from the self-funded market to the group market. Credit shall  
24 be provided for covered health care services that require cost sharing under the new policy. Nothing  
25 in this section shall be construed to require carriers to adopt a 12-month rolling cost sharing cycle.

26           3 Applicability. This act shall take effect for policies effective on or after January 1, 2015, and  
27 carriers shall apply credit for member cost sharing payments made up to 11 months prior to this  
28 date.

29           4 Health Service Corporations; Yearly Cost Sharing. Amend RSA 420-A:2 to read as follows:

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1           420-A:2 Applicable Statutes. Every health service corporation shall be governed by this chapter  
2 and the relevant provisions of RSA 161-H, and shall be exempt from this title except for the  
3 provisions of RSA 400-A:39, RSA 401-B, RSA 402-C, RSA 404-F, RSA 415-A, RSA 415-F, RSA 415:6,  
4 II(4), RSA 415:6-g, RSA 415:6-k, RSA 415:6-m, RSA 415:6-o, RSA 415:6-r, **RSA 415:6-s**, RSA 415:18,  
5 V, RSA 415:18, VII(g), RSA 415:18, XVI and XVII, RSA 415:18, VII-a, RSA 415:18-a, RSA 415:18-j,  
6 RSA 415:18-o, RSA 415:18-r, RSA 415:18-t, RSA 415:18-u, RSA 415:18-v, RSA 415:18-w,  
7 **RSA 415:18-x**, RSA 415:22, RSA 417, RSA 417-E, RSA 420-J, and all applicable provisions of title  
8 XXXVII wherein such corporations are specifically included. Every health service corporation and its  
9 agents shall be subject to the fees prescribed for health service corporations under RSA 400-A:29,  
10 VII.

11           5 Health Maintenance Corporations; Yearly Cost Sharing. Amend RSA 420-B:20, III to read as  
12 follows:

13           III. The requirements of RSA 400-A:39, RSA 401-B, RSA 402-C, RSA 404-F, RSA 415:6-g,  
14 RSA 415:6-m, RSA 415:6-o, RSA 415:6-r, **RSA 415:6-s**, RSA 415:18, VII(g), RSA 415:18, VII-a,  
15 RSA 415:18, XVI and XVII, RSA 415:18-j, RSA 415:18-r, RSA 415:18-t, RSA 415:18-u, RSA 415:18-v,  
16 RSA 415:18-w, **RSA 415:18-x**, RSA 415-A, RSA 415-F, RSA 420-G, and RSA 420-J shall apply to  
17 health maintenance organizations.

18           6 Effective Date. This act shall take effect 60 days after its passage.

**HB 1242-FN FISCAL NOTE**

AN ACT                   relative to deductibles, coinsurance, and out-of-pocket maximums under health insurance policies.

**FISCAL IMPACT:**

The Insurance Department states this bill, **as amended by the House (Amendment #2014-0896h)**, will have no impact on state, county and local revenue and expenditures.

**METHODOLOGY:**

The Insurance Department states this bill requires carriers to consider to what extent deductibles, copays, and other out-of-pocket expenses previously incurred under a prior policy amount to and provide credit for the same under any replacement policy. The Department states its rules already require a 90 day look back for carriers writing group policies consider deductibles and copays incurred under prior policies. The Department states its understanding of industry practice is that when a policy is replaced with the same carrier, in the same market, the carrier does consider prior incurred deductibles and copays. Therefore, the Department assumes this bill will have no fiscal impact on state, county and local revenue and expenditures.