

SB 412-FN – AS INTRODUCED

2014 SESSION

14-2825
01/04

SENATE BILL ***412-FN***

AN ACT relative to managed care network adequacy and federal health care reform.

SPONSORS: Sen. Gilmour, Dist 12; Sen. Pierce, Dist 5; Rep. Rosenwald, Hills 30; Rep. Butler,
Carr 7

COMMITTEE: Health, Education and Human Services

ANALYSIS

This bill repeals the joint health care reform oversight committee and deletes the prohibition relative to a state-based health exchange. This bill also requires insurance carriers which offer a health insurance product on the health exchange that consists of a narrow network to also offer a broad network individual product.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 managed care network adequacy and federal health care reform.

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

1 1 Federal Health Care Reform; Purpose and Scope. Amend RSA 420-N:1 to read as follows:

2 420-N:1 Purpose and Scope. The intent of this chapter is to preserve the state's status as the
3 primary regulator of the business of insurance within New Hampshire and the constitutional
4 integrity and sovereignty of the state of New Hampshire under the Tenth Amendment to the
5 United States Constitution and part I, article 7 of the New Hampshire constitution [~~and to create a~~
6 ~~legislative oversight committee to supervise the insurance commissioner's administration of the~~
7 ~~insurance reforms required under the Patient Protection and Affordable Care Act of 2009, Public~~
8 ~~Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law~~
9 ~~111-152, including any federal regulations, interpretations, standards, or guidance issued~~
10 ~~thereunder (hereinafter "the Act")~~].

11 2 Federal Health Care Reform; Implementation of the Act. RSA 420-N:4 is repealed and
12 reenacted to read as follows:

13 420-N:4 Implementation of the Act. The commissioner shall not implement or enforce any
14 provision of the Act that has been ruled unconstitutional or invalid by the United States Supreme
15 Court.

16 3 Federal Health Care Reform; Authority of the Commissioner. Amend the introductory
17 paragraph of RSA 420-N:5 to read as follows:

18 420-N:5 Authority of the Commissioner. [~~Only with such prior approvals from the oversight~~
19 ~~committee as are required under RSA 420-N:4.~~] The commissioner shall have authority to:

20 4 Federal Health care Reform; Guidelines for Interaction With Federally Facilitated Health
21 Exchange. RSA 420-N:7 is repealed and reenacted to read as follows:

22 420-N:7 Guidelines for Interaction With Federally-Facilitated Health Exchange.

23 I. State agencies or departments may interact with the federal government with respect to
24 the creation of a federally-facilitated exchange for New Hampshire.

25 II. State agencies or departments may operate a federally-facilitated exchange.

26 III. State agency activities relating to any federally-facilitated exchange for New Hampshire
27 shall be consistent with the following objectives:

28 (a) Promoting preservation of the private, commercial delivery of health coverage
29 through carriers and producers to the greatest degree possible under the Act and minimizing
30 interference with the operation of commercial markets.

31 (b) Minimizing overhead and administrative expenses.

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1 (c) Promoting competition and consumer choice, for example by advocating for allowing
2 all health and dental plans that meet the minimum requirements necessary to be certified as
3 qualified plans under the Act to be offered in the exchange.

4 (d) Preserving to the greatest extent possible the state’s insurance regulatory authority
5 and the state’s flexibility in determining Medicaid eligibility standards and program design and
6 operation.

7 5 Federal Health Care Reform; Reference Deletion. Amend RSA 420-N:8, V to read as follows:

8 V. The commissioner may adopt rules, pursuant to RSA 541-A [~~and in accordance with~~
9 ~~RSA 420-N:4, H~~], as necessary to perform the duties specified in this section and to protect against
10 adverse selection by creating a level playing field between a federally-facilitated exchange and the
11 commercial health insurance market.

12 6 Federal Health Care Reform; Rulemaking by Commissioner of Health and Human Services.
13 Amend RSA 420-N:9, III to read as follows:

14 III. The commissioner of health and human services may adopt rules, pursuant to RSA 541-
15 A [~~and subject to oversight committee approval under RSA 161:11~~], as necessary to fulfill the
16 purposes of this subdivision.

17 7 New Section; Federally-Facilitated Exchange; Requirement for Carriers to Offer Broad
18 Individual Market Coverage. Amend RSA 420-N by inserting after section 10 the following new
19 section:

20 420-N:11 Federally-Facilitated Exchange; Requirement for Carriers to Offer Broad Individual
21 Market Coverage. Any insurance carrier approved to offer individual market health coverage in a
22 state-based or federally-facilitated exchange whose health coverage plan does not include services at
23 all New Hampshire hospitals and access to at least 90 percent of licensed physicians in the state
24 shall also offer individual market health coverage that does include all New Hampshire hospitals
25 and access to at least 90 percent of licensed physicians in the state.

26 8 Repeal. The following are repealed:

27 I. RSA 420-N:2, III, relative to reference to the joint health care reform oversight committee.

28 II. RSA 420-N:3, relative to establishment of the joint health care reform oversight
29 committee.

30 III. RSA 161:11, relative to requiring the commissioner of health and human services to seek
31 certain approval from the joint health care reform oversight committee.

32 9 Effective Date. This act shall take effect 60 days after its passage.

SB 412-FN - FISCAL NOTE

AN ACT relative to managed care network adequacy and federal health care reform.

FISCAL IMPACT:

The Insurance Department states this bill, **as introduced**, will have an indeterminable fiscal impact on state revenues and expenditures in FY 2014 and in each year thereafter. There will be no fiscal impact on county or local revenues and expenditures.

METHODOLOGY:

The Insurance Department states this bill repeals the joint healthcare oversight committee, permits the State to implement a state-based exchange, and requires insurance carriers that offer narrow network products through the Exchange to also offer broad network products. The Department assumes broad network products are more expensive than similarly designed narrow network products, and the requirement to offer broad network products may impact the provider terms for narrow network products. The Department indicates it is difficult to predict how purchasers, providers and carriers would respond to this requirement. The Department states that it is funded through assessments against insurance carriers and there may be federal grant funds available to study the feasibility of, and to develop and implement a state-based exchange. The Department is not able to determine the fiscal impact of this bill on state revenues or expenditures.

The Department of Health and Human Services states this bill would have no fiscal impact on the Department's revenue or expenditures.