

HOUSE BILL 246

Introduced by T. Nelson, et al.

1/17	Introduced
1/17	Referred to Human Services & Aging
1/18	First Reading
1/18	Fiscal Note Requested
1/23	Fiscal Note Received
1/24	Fiscal Note Printed
2/01	Hearing
2/06	Tabled in Committee

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 2 House BILL NO. 246
 3 INTRODUCED BY Tom Miller
 4 Shelley Insell

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING DOCUMENTATION
 6 AND REVIEW OF THE EFFECTS OF LEGISLATION THAT PROPOSES
 7 MANDATED HEALTH INSURANCE BENEFITS BEFORE SUCH LEGISLATION
 8 MAY BE INTRODUCED OR ENACTED BY THE LEGISLATURE;
 9 ESTABLISHING A MANDATED HEALTH INSURANCE BENEFITS REVIEW
 10 PANEL; AND PROVIDING AN EFFECTIVE DATE."

11 WHEREAS, an increasing amount of legislation is proposed
 12 each session that requires disability insurers and health
 13 service corporations to provide or offer certain health care
 14 coverage or services as a component of their insurance
 15 policies; and

16 WHEREAS, proponents of legislation for mandated health
 17 insurance benefits argue that such legislation will decrease
 18 the cost of health insurance or improve access to needed
 19 health care coverage or services; and

20 WHEREAS, opponents of mandated health insurance benefits
 21 legislation argue that such legislation will increase the
 22 cost of health insurance and limit access to needed coverage
 23 or services; and

24 WHEREAS, conflicting evidence and arguments hinder the
 25 ability of the Legislature to properly consider or evaluate

1 legislation that proposes mandated health insurance
 2 benefits.

3 THEREFORE, the Legislature finds it appropriate to
 4 require documentation and review of the effects of mandated
 5 health insurance benefits legislation before such
 6 legislation may be introduced or enacted by the Legislature.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 NEW SECTION. **Section 1.** Definitions. As used in
 10 [sections 1 through 8], unless the context requires
 11 otherwise, the following definitions apply:

12 (1) "Disability insurer" means an insurer operating
 13 pursuant to Title 33, chapter 2 or 3, and offering or
 14 selling policies or contracts of disability insurance, as
 15 provided in Title 33, chapter 22.

16 (2) "Health care coverage or services" means the
 17 provision of care, products, or services for the diagnosis,
 18 prevention, treatment, or cure of human illness, disease,
 19 injury, or disability.

20 (3) "Health service corporation" has the meaning
 21 provided in 33-30-101.

22 (4) "Mandated health insurance benefits" means health
 23 care coverage or services that a disability insurer or
 24 health service corporation shall provide or offer as a
 25 minimum benefit to the insured, as mandated in proposed



1 legislation.

2 (5) "Panel" means the mandated health insurance
3 benefits review panel established in [section 5].

4 NEW SECTION. Section 2. Legislation mandating health
5 insurance benefits. (1) Legislation that proposes mandated
6 health insurance benefits may not be introduced or enacted
7 unless the effects of the legislation have been documented
8 and reviewed in accordance with [sections 1 through 8].

9 (2) Legislation enacted in violation of subsection (1)
10 may not take effect and must be declared void if challenged
11 in a court of proper jurisdiction.

12 NEW SECTION. Section 3. Report -- referral. (1) Each
13 person or organization who wishes to propose legislation
14 that mandates health insurance benefits shall submit a
15 report to the commissioner of insurance at least 180 days
16 before the first day of the next regular legislative
17 session. The report must include:

18 (a) a copy of the proposed legislation; and
19 (b) the documentation and other information specified
20 in [section 4] concerning the effects of the proposed
21 legislation.

22 (2) The commissioner shall refer the report for review
23 to the mandated health insurance benefits review panel.

24 NEW SECTION. Section 4. Documentation -- requirements.
25 The documentation required in [section 3] must describe the

1 effects of the proposed legislation, including the social
2 impact, medical efficacy, and cost of mandated health
3 insurance benefits. In addition, the documentation must
4 include information showing:

5 (1) the extent to which the mandated health care
6 coverage or services are:

7 (a) needed by the people of Montana;
8 (b) available to the people of Montana; and
9 (c) used by the people of Montana;

10 (2) if the mandated health insurance benefits are not
11 generally available through insurance in the state, the
12 extent to which the lack of these benefits results in
13 inadequate health care or major financial hardship;

14 (3) whether there are indications of demand from the
15 public at large and in collective bargaining negotiations
16 for the mandated health insurance benefits;

17 (4) all relevant research and findings bearing on the
18 social impact of the mandated health insurance benefits;

19 (5) if the legislation proposes to mandate health care
20 coverage or services for a particular therapy:

21 (a) the results of at least one professionally
22 acceptable, controlled trial demonstrating the medical
23 consequences of that therapy compared to no therapy and to
24 alternative therapies; and

25 (b) the results of any other relevant research

1 concerning the medical efficacy of the therapy;

2 (6) if the legislation proposes mandated health
3 insurance benefits for services from a particular profession
4 or class of practitioners:

5 (a) the results of at least one professionally
6 acceptable, controlled trial demonstrating the medical
7 results achieved by that particular profession or class of
8 practitioners as compared to those whose services are
9 already covered by insurance benefits; and

10 (b) the results of any other relevant research
11 concerning the medical benefits of services from the
12 particular profession or class of practitioners; and

13 (7) the financial impact of mandated health insurance
14 benefits, including:

15 (a) the extent to which mandated health care coverage
16 or services will increase or decrease the cost of health
17 care services;

18 (b) the extent to which similar mandates have affected
19 the charges, costs, and payments for health insurance in
20 other states;

21 (c) the extent to which mandated health care coverage
22 or services will increase the appropriate use of health care
23 services;

24 (d) the extent to which the mandated health care
25 coverage or services will be a substitute for more expensive

1 or less expensive coverage or services;

2 (e) the extent to which mandated benefits will increase
3 or decrease the administrative expenses of insurance
4 companies and the premiums of policyholders;

5 (f) the potential financial impact of mandated benefits
6 on individuals, small employers, medium-sized employers, and
7 large employers; and

8 (g) the potential impact of mandated health insurance
9 benefits on the total cost of health care in Montana.

10 NEW SECTION. **Section 5. Mandated health insurance**
11 **benefits review panel.** (1) There is a mandated health
12 insurance benefits review panel.

13 (2) The panel consists of three qualified persons
14 appointed by the commissioner of insurance.

15 (3) The panel is attached to the office of the
16 commissioner of insurance for administrative purposes only
17 as provided in 2-15-121.

18 NEW SECTION. **Section 6. Qualifications -- terms.** (1)
19 To be qualified for appointment to the panel, a person must
20 be a professional researcher or analyst who is knowledgeable
21 and experienced in health care research, biostatistics, or
22 the analysis of health insurance benefits or costs.

23 (2) Each member of the panel shall serve a term of 4
24 years and shall continue on the panel until a successor is
25 appointed.

1 NEW SECTION. Section 7. Reimbursement for expenses --
 2 compensation. (1) Each member of the panel is entitled to
 3 reimbursement for all reasonable expenses as provided in
 4 2-18-501 through 2-18-503.

5 (2) Members of the panel must be paid, in an amount to
 6 be determined by the commissioner of insurance, for the
 7 hours in which they are actually and necessarily engaged in
 8 the performance of their official duties.

9 NEW SECTION. Section 8. Panel review -- findings --
 10 report to legislature. (1) The panel shall review the report
 11 and documentation submitted under [section 3]. Within 120
 12 days after receipt of the report, the panel shall determine
 13 whether:

- 14 (a) the documentation is complete;
- 15 (b) research cited in the report meets professional
 16 standards;
- 17 (c) all relevant research has been included in the
 18 report; and
- 19 (d) the conclusions and interpretations contained in
 20 the report are consistent with the documentation or other
 21 information presented.

22 (2) If the panel reaches a favorable conclusion on all
 23 points listed in subsection (1), the documentation must be
 24 certified accordingly. If the panel finds the documentation
 25 deficient, the panel shall identify the deficiencies and

1 certify its finding.

2 (3) The panel shall reach its conclusions based on the
 3 documentation and other information presented but may not
 4 comment on the merits or desirability of the proposed
 5 legislation.

6 (4) The panel shall report the results of its review to
 7 the legislature.

8 NEW SECTION. Section 9. Codification instruction.
 9 [Sections 1 through 8] are intended to be codified as an
 10 integral part of Title 33, chapter 22, and the provisions of
 11 Title 33, chapter 22, apply to [sections 1 through 8].

12 NEW SECTION. Section 10. Effective date. [This act] is
 13 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0246, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The proposed bill would establish a mandated health insurance benefits review panel administratively attached to the Commissioner of Insurance; require documentation and review of the effects of legislation that proposes mandated health insurance benefits before such legislation may be introduced or enacted by the legislature.


ASSUMPTIONS:

1. Each panel member will spend an average of 24 compensated hours for proposal review and panel meetings for each proposal. Eight of the hours, or one day per proposal, will be spent meeting as a panel in Helena.
2. Compensation for panel members will be at the rate of \$100 per hour. The specialized qualifications required of panel members suggests that a high rate of compensation will be necessary to obtain panel members. Each panel member must be a professional researcher or analyst experienced in health care research, biostatistics, or the analysis of health insurance benefits or costs.
3. The panel consists of three qualified persons, all of whom live within Montana and outside of Helena.
4. Travel expenses for three members to attend a one-day meeting on each proposal will average \$375 per proposal (\$125 for each of the three members).
5. There will be four proposed bills reviewed by the panel each biennium, two during each fiscal year of the biennium. However, the actual number of proposed bills is variable and not subject to accurate estimation.
6. The panel will be administratively attached to the office of the Commissioner of Insurance in the State Auditor's Office.

FISCAL IMPACT:

Health Insurance Benefits Review Panel

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
Operating Costs	0	15,000	15,000	0	15,000	15,000
<u>Funding:</u>						
General Fund (01)	0	15,000	15,000	0	15,000	15,000


ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning
1-23-91
DATE


THOMAS E. NELSON, PRIMARY SPONSOR
1-24-91
DATE

Fiscal Note for HB0246, as introduced **HB 246**