B 540-FN – AS AMENDED BY THE SENATE

03/20/08 1055s

2008 SESSION

08-2919

01/09

SENATE BILL ***540-FN***

AN ACT relative to New Hampshire HealthFirst, an affordable, wellness-based health insurance plan for small employers.

SPONSORS: Sen. Sgambati, Dist 4; Sen. Foster, Dist 13; Sen. Hassan, Dist 23; Sen. Estabrook, Dist 21; Sen. Reynolds, Dist 2; Sen. Odell, Dist 8; Sen. Gallus, Dist 1; Sen. Barnes, Dist 17; Sen. Cilley, Dist 6; Sen. Fuller Clark, Dist 24; Sen. Kelly, Dist 10; Sen. D'Allesandro, Dist 20; Sen. Gottesman, Dist 12; Sen. Larsen, Dist 15; Sen. Janeway, Dist 7; Rep. McLeod, Graf 2; Rep. Nordgren, Graf 9; Rep. Bergin, Hills 6; Rep. Pilliod, Belk 5; Rep. Butler, Carr 1

COMMITTEE: Commerce, Labor and Consumer Protection

AMENDED ANALYSIS

This bill establishes New Hampshire HealthFirst, a standard wellness plan for small employers.

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Explanation: Matter added to current law appears in ***bold italics.***

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to New Hampshire HealthFirst, an affordable, wellness-based health insurance plan for small employers.

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

1 New Section; New Hampshire HealthFirst; Standard Wellness Plan for Small Employers. Amend RSA 420-G by inserting after section 4-a the following new section:

420-G:4-b New Hampshire HealthFirst; Standard Wellness Plan for Small Employers.

I. The purpose of this section is to:

(a) Promote the availability of more affordable health coverage in the small employer market by engaging consumers, health care providers, insurers, and small employers to address the underlying costs of health care through better care management and more efficient utilization of health care services without increasing overall cost sharing requirements or reducing coverage for services essential to health and wellness.

(b) Enhance competition among health carriers in the small employer market by facilitating comparison of a standard plan.

II. If a health carrier offers coverage in the small employer market in this state and had at least 1,000 covered lives in this market at the end of the prior calendar year, such carrier shall be required to offer the standard wellness plan to small employers. The standard wellness plan shall be

offered on a guaranteed issue basis to all small employers in the state. If a health carrier is part of an insurance holding company system, as defined in RSA 401-B:1, IV, in which 2 or more affiliates, as defined in RSA 401-B:1, I, are licensed health carriers in the state with a combined New Hampshire small group membership of at least 1,000 covered lives at the end of the prior calendar year, the requirement in this paragraph to offer the standard wellness plan to all small employers shall apply. However, only one such health carrier affiliate in the holding company group shall be subject to the requirement.

III. The commissioner shall adopt rules, pursuant to RSA 541-A, relative to the requirements for the standard wellness plan. Before adopting rules, the commissioner shall convene a standing advisory committee to include representatives of small employers, business groups and associations of small employers, consumers who obtain their coverage through the small employer market, one representative, appointed by the speaker of the house of representatives and one member of the senate, appointed by the president of the senate. The advisory committee shall, at least once every 3 years, make recommendations to the insurance commissioner on the requirements for the standard wellness plan. Prior to making these recommendations, the advisory committee shall consult with interested health carriers, health insurance producers, health care providers, and, as necessary and appropriate, other available experts. The plan shall include benefit structure, cost sharing requirements, and provider payment initiatives to promote the delivery of quality care. The committee shall recommend an out-of-pocket maximum for the standard wellness plan.

IV. The commissioner shall ensure that the standard wellness plan creates incentives for consumers, health care providers, employers, and/or health carriers to:

(a) Promote wellness.

(b) Promote primary care, preventive care, and a medical home model.

(c) Manage and coordinate care for persons with chronic health conditions or acute illness.

(d) Promote the use of cost effective care.

(e) Promote quality of care by the use of evidence-based, best practice standards and patient-centered care.

V. To the extent practicable, health carriers shall be permitted to utilize existing programs to meet the requirements for the standard wellness plan.

VI. The plan shall be made available in accordance with this section on or before October 1, 2009 and shall be reviewed and revised as necessary, but no less frequently than once every 3 years thereafter.

VII.(a) The standard wellness plan requirements shall be established so that small employer health insurance carriers would be reasonably expected to set the plan’s health coverage plan rate, as defined in RSA 420-G:4, I(c), at or below 10 percent of the prior year’s median statewide wage as reported by the United States Department of Labor. Small employer carriers shall be required to file their standard wellness plan rates 60 days prior to the date on which the plan is to be made available. If no small employer carrier files a health coverage plan rate at or below the stated target, then the commissioner shall engage actuarial experts at the expense of the small employer carriers who are subject to the requirements of this section and hold a hearing to determine whether small employer carriers shall be compelled to offer the standard wellness plan at a health coverage plan rate equal to the target or whether changes should be made to the standard wellness plan requirements to adjust benefits or cost sharing requirements.

(b) Between plan revisions, carriers may request rate adjustments with appropriate supporting documentation. However, the commissioner shall not grant any rate adjustment in excess of the carrier’s overall small group trend.

VIII. In establishing the requirements for the standard wellness plan, the commissioner:

(a) May require the use of qualified wellness or disease management programs and the use of rating factors for such programs as provided in RSA 420-G:4-a.

(b) Shall prohibit small employer carriers from offering nonconforming products with similar benefit designs with the intent or likely effect of undermining the purposes of this section.

(c) Shall require small employer carriers to illustrate or quote the standard wellness plan together with any proposal or quote provided to any small employer.

IX. Except as specifically provided in this section, all statutory and regulatory requirements applicable to small employer health benefit plans shall apply to the standard wellness plan.

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

LBAO

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