

**SB 312-FN – VERSION ADOPTED BY BOTH BODIES**

03/06/08 0676s

2008 SESSION

08-2647

01/10

SENATE BILL ***312-FN***

AN ACT relative to insurance coverage for obesity and morbid obesity.

SPONSORS: Sen. Clegg, Dist 14; Sen. Gottesman, Dist 12; Sen. Cilley, Dist 6; Sen. Fuller Clark, Dist 24;  
Sen. Gallus, Dist 1; Sen. Reynolds, Dist 2; Rep. Marshall Quandt, Rock 13

COMMITTEE: Commerce, Labor and Consumer Protection

ANALYSIS

This bill requires insurance coverage for the diseases and ailments caused by obesity and morbid obesity and treatment for such, including bariatric surgery, when determined to be medically necessary by a physician.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT relative to insurance coverage for obesity and morbid obesity.

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

1 New Section; Coverage for Obesity and Morbid Obesity; Individual. Amend RSA 415 by inserting after section 6-n the following new section:

415:6-o Coverage for Obesity and Morbid Obesity; Individual. Each insurer that issues or renews any individual policy, plan, or contract of accident or health insurance providing benefits for medical or hospital expenses, shall provide to certificate holders of such insurance, who are residents of this state, coverage for the diseases and ailments caused by obesity and morbid obesity and treatment for such, including bariatric surgery, when the prescribing physician has issued a written order stating that treatment is medically necessary and in accordance with the patient qualifications and treatment standards set forth by the American Society for Metabolic and Bariatric Surgery or the American College of Surgeons. Such treatment standards may include, but not be limited to, pre-operative psychological screening and counseling, behavior modification, weight loss, exercise regimens, nutritional counseling, and post-operative follow-up, overview, and counseling of dietary, exercise, and lifestyle changes. The covered insured shall be at least 18 years of age. The benefits included in this section shall be subject to the terms and conditions of the policy and shall be no less extensive than coverage provided for similar conditions or illnesses.

2 New Section; Coverage for Obesity and Morbid Obesity; Group. Amend RSA 415 by inserting after section 18-s the following new section:

415:18-t Coverage for Obesity and Morbid Obesity; Group. Each insurer that issues or renews any policy of group or blanket accident or health insurance providing benefits for medical or hospital expenses, shall provide to each group, or to the portion of each group comprised of certificate holders of such insurance who are residents of this state, coverage for the diseases and ailments caused by obesity and morbid obesity and treatment for such, including bariatric surgery, when the prescribing physician has issued a written order stating that treatment is medically necessary and in accordance with the patient qualifications and treatment standards set forth by the American Society for Metabolic and Bariatric Surgery or the American College of Surgeons. Such treatment standards may include, but not be limited to, pre-operative psychological screening and counseling, behavior modification, weight loss, exercise regimens, nutritional counseling, and post-operative follow-up, overview, and counseling of dietary, exercise, and lifestyle changes. The covered insured shall be at least 18 years of age. The benefits included in this section shall be subject to the terms and conditions of the policy and shall be no less extensive than coverage provided for similar conditions or illnesses.

3 Coverage for Obesity and Morbid Obesity. Amend RSA 420-A:2 to read as follows:

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

4 Coverage for Obesity and Morbid Obesity. Amend RSA 420-B:20, III to read as follows:

III. The requirements of RSA 400-A:39, RSA 401-B, RSA 402-C, RSA 404-F, RSA 415:6-g, RSA 415:6-m, ***RSA 415:6-o***, RSA 415:18, VII-a, RSA 415:18, XVI and XVII, RSA 415:18-j, RSA 415:18-r, ***RSA 415:18-t***, RSA 415-A, RSA 415-F, RSA 420-G, and RSA 420-J shall apply to health maintenance organizations.

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

LBAO

08-2647

Amended 03/26/08

## SB 312 FISCAL NOTE

AN ACT relative to insurance coverage for obesity and morbid obesity.

### FISCAL IMPACT:

The Department of Administrative Services states this bill, **as amended by the Senate (Amendment #2008-0676s)**, may increase state expenditures by \$1,546,205 in FY 2008, \$1,700,826 in FY 2009, \$1,870,909 in FY 2010, \$2,058,000 in FY 2011 and \$2,263,800 in FY 2012. The Insurance Department states this bill may increase state general fund revenue, county expenditures, and local expenditures by an indeterminable amount in FY 2008 and each year thereafter. The New Hampshire Association of Counties states this bill may increase county expenditures by an indeterminable amount in FY 2008 and each year thereafter. There will be no fiscal impact on county and local revenue.

### METHODOLOGY:

The Department of Administrative Services states this bill will require insurance coverage for the diseases and ailments caused by obesity and morbid obesity and treatment for such, including bariatric surgery, when determined medically necessary by a physician and in accordance with the patient qualifications and treatment standards set forth by the American Society for Metabolic and Bariatric Surgery or the American College of Surgeons. The Department states the state's health coverage includes bariatric surgery once certain criteria are met. The Department, in consultation with the State's medical administrator and health benefit consultant, estimates this bill as amended may result in an increase of 1% to medical claim costs. The Department used the FY 2007 medical claim costs of \$140,564,115 and multiplied it by 1% to establish a base increase of \$1,405,641. The Department states medical claims have risen on average 10% a year and applied this annual increase to determine the costs for FY 2008 through FY 2012.

FY 2008	\$1,546,205 (\$1,405,641 * 110%)
FY 2009	\$1,700,826 (\$1,546,205 * 110%)
FY 2010	\$1,870,909 (\$1,700,826 * 110%)
FY 2011	\$2,058,000 (\$1,870,909 * 110%)
FY 2012	\$2,263,800 (\$2,058,000 * 110%)

The Insurance Department states this bill may increase the cost of health insurance by an indeterminable amount for counties and municipalities. The Department indicates the state is not subject to this mandate because it is self-insured. The Department states to the extent health insurance premiums increase as a result of this bill, premium tax revenue will increase.

The New Hampshire Association of Counties states to the extent this coverage is not provided, county health insurance costs may increase by an indeterminable amount.