S T A T E O F N E W Y O R K

3042--A

2013-2014 Regular Sessions

I N S E N A T E

January 29, 2013

Introduced by Sens. GALLIVAN, LARKIN, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to the New York state health care quality and cost containment commission

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 213 of the insurance law, as added by section 1 of part L of chapter 57 of the laws of 2007, is amended to read as follows:

S 213. New York state health care quality and cost containment commission. (a) There is hereby established within the department a commission, to be known as the "New York state health care quality and cost containment commission". The commission shall consist of thirteen members appointed by the governor, one of whom shall be the superintendent, one of whom shall be the commissioner of health, and six of whom shall be appointed on the recommendation of the legislative leaders, two on the recommendation of the temporary president of the senate, two on the recommendation of the speaker of the assembly, one on the recommendation of the minority leader of the senate, and one on the recommendation of the minority leader of the assembly. All members shall serve at the pleasure of the governor, and vacancies shall be appointed in the same manner as original appointments. Members of the commission shall serve without compensation, but shall be reimbursed for reasonable travel expenses. In making appointments to the commission, the governor shall ensure that the interests of health care consumers, small businesses, the medical community and health plans are represented on the commission, AND THAT THE COMMISSION INCLUDE AT LEAST ONE ACTUARY, ONE EXPERT ON HEALTH BENEFITS, HAVING NO LESS THAN FIFTEEN YEARS OF DIRECT EXPERIENCE WITH HEALTH BENEFITS, AND ONE PHYSICIAN. ALL MEMBERS OF THE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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COMMISSION SHALL BE SEATED NO LATER THAN NINETY DAYS AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND FOURTEEN WHICH AMENDED THIS SECTION AND ALL VACANCIES SHALL BE FILLED AS SOON AS PRACTICABLE.

(b)(1) The purpose of the commission shall be to analyze the impact on health insurance costs and quality of proposed legislation which would mandate that health benefits be offered or made available in individual and group health insurance policies, contracts and comprehensive health service plans, including legislation that affects the delivery of health benefits or services or the reimbursement of health care providers.

(2) The governor, the chair of the senate insurance committee and the chair of the assembly insurance committee may request in writing that the commission evaluate a proposed mandated benefit. Upon receiving such a request, the commission [may, by a majority vote of its members,] SHALL undertake an evaluation of such proposed mandated benefit.

(3) In evaluating a proposed mandated benefit, the commission shall:

(A) investigate the current practices of health plans with regard to the proposed mandated benefit, and, to the extent possible, self-funded health benefit plans;

(B) investigate the potential premium impact of the proposed mandated benefits on all segments of the insurance market, as well as the potential for avoided costs through early detection and treatment of conditions, or more cost-effective delivery of medical services; [and]

(C) analyze the most current [medical] AND CREDIBLE EVIDENCE BASED MEDICINE literature regarding the proposed mandated benefit PUBLISHED IN PEER REVIEWED MEDICAL LITERATURE GENERALLY RECOGNIZED BY THE RELEVANT MEDICAL COMMUNITY to determine THE EFFECTIVENESS OF THE PROPOSED MANDATED BENEFIT AND its impact on health care quality[.]; AND

(D) INVESTIGATE THE POTENTIAL COST TO THE STATE OF THE PROPOSED MANDATED BENEFITS IN LIGHT OF THE IMPLEMENTATION OF THE FEDERAL AFFORDABLE CARE ACT.

(4) In evaluating a proposed mandated benefit, the commission may hold one or more public hearings, and shall strive to obtain independent and verifiable information from diverse sources within the healthcare industry, medical community and among health care consumers with regard to the proposed mandated benefit.

(c) To assist the commission in its duties, and upon the direction of the commission, the superintendent is authorized to enter into one or more contracts with independent entities and organizations with demonstrable expertise in health care quality, finance, utilization and actuarial services. For the purposes of this section, the superintendent shall not enter into contracts with health plans, entities or organizations owned or controlled by health plans, or with significant business relationships with health plans.

(d) Upon completion of its evaluation of a proposed mandated benefit pursuant to this section, the commission shall deliver a written report of its findings to the chair of the assembly insurance committee and the chair of the senate insurance committee.

(E)(1) BEGINNING NO LATER THAN NINE MONTHS AFTER THE COMMISSION IS SEATED, AND REOCCURRING NO LESS OFTEN THAN ONCE EVERY THREE YEARS, THE COMMISSION SHALL ANALYZE THE IMPACT ON HEALTH INSURANCE COSTS AND QUALITY OF ALL STATE LAWS WHICH MANDATE THAT HEALTH BENEFITS BE OFFERED OR MADE AVAILABLE IN INDIVIDUAL AND GROUP HEALTH INSURANCE POLICIES, CONTRACTS AND COMPREHENSIVE HEALTH SERVICE PLANS, INCLUDING BUT NOT LIMITED TO LAWS THAT AFFECT THE DELIVERY OF HEALTH BENEFITS OR SERVICES OR THE REIMBURSEMENT OF HEALTH CARE PROVIDERS.

(2) IN EVALUATING EACH MANDATED BENEFIT, THE COMMISSION SHALL:

(A) INVESTIGATE THE CURRENT PRACTICES OF HEALTH PLANS WITH REGARD TO THE MANDATED BENEFIT, AND, TO THE EXTENT POSSIBLE, SELF-FUNDED HEALTH BENEFIT PLANS INCLUDING BUT NOT LIMITED TO AVOIDED COSTS THROUGH EARLY DETECTION AND TREATMENT OF CONDITIONS, OR MORE COST-EFFECTIVE DELIVERY OF MEDICAL SERVICES;

(B) INVESTIGATE THE POTENTIAL PREMIUM IMPACT OF REPEALING AND/OR MODIFYING THE MANDATED BENEFITS ON ALL SEGMENTS OF THE INSURANCE MARKET;

(C) ANALYZE THE MOST CURRENT AND CREDIBLE EVIDENCE BASED MEDICINE LITERATURE REGARDING THE MANDATED BENEFIT PUBLISHED IN PEER REVIEWED MEDICAL LITERATURE GENERALLY RECOGNIZED BY THE RELEVANT MEDICAL COMMUNITY TO DETERMINE THE EFFECTIVENESS OF THE MANDATED BENEFIT AND ITS IMPACT ON HEALTH CARE QUALITY; AND

(D) INVESTIGATE THE POTENTIAL COST TO THE STATE OF THE PROPOSED MANDATED BENEFITS IN LIGHT OF THE IMPLEMENTATION OF THE FEDERAL AFFORDABLE CARE ACT.

(3) IN EVALUATING MANDATED BENEFITS, THE COMMISSION SHALL HOLD NO LESS THAN TWO PUBLIC HEARINGS, AND SHALL STRIVE TO OBTAIN INDEPENDENT AND VERIFIABLE INFORMATION FROM DIVERSE SOURCES WITHIN THE HEALTH CARE INDUSTRY, MEDICAL COMMUNITY AND AMONG HEALTH CARE CONSUMERS WITH REGARD TO EACH MANDATED BENEFIT.

(4)(A) ON OR BEFORE THE FIRST DAY OF FEBRUARY, TWO THOUSAND FIFTEEN, THE COMMISSION SHALL SUBMIT TO THE LEGISLATURE AND DISSEMINATE TO THE PUBLIC RECOMMENDATIONS FOR THE REPEAL AND/OR MODIFICATION OF STATE LAWS WHICH MANDATE BENEFITS, ALONG WITH A SINGLE PIECE OF LEGISLATION NECESSARY TO IMPLEMENT SUCH RECOMMENDATIONS. THESE RECOMMENDATIONS SHALL NOT BE EXPECTED TO INCREASE THE AVERAGE PREMIUM IN THE STATE. UPON RECEIPT OF SUCH RECOMMENDATIONS, THE IMPLEMENTING LEGISLATION THEREFOR SHALL BE INTRODUCED IN BOTH HOUSES OF THE LEGISLATURE WITHOUT ANY AMENDMENTS WITHIN FIVE DAYS.

(B) THE LEGISLATION INTRODUCED PURSUANT TO SUBPARAGRAPH (A) OF THIS PARAGRAPH SHALL BE VOTED UPON, WITHOUT AMENDMENT, BY BOTH SUCH HOUSES OF THE LEGISLATURE WITHIN NINETY DAYS, BUT NOT SOONER THAN THIRTY DAYS, AFTER THE COMMISSION SUBMITS ITS RECOMMENDATIONS TO THE LEGISLATURE. IF APPROVED, THE LEGISLATURE SHALL FORWARD SUCH LEGISLATION TO THE GOVERNOR WITHIN FIVE DAYS.

S 2. This act shall take effect immediately.