

1761

2009-2010 Regular Sessions

I N S E N A T E

February 6, 2009

Introduced by Sen. FARLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the legislative law and the insurance law, in relation to mandated health insurance benefits

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

1 Section 1. Legislative intent. The legislature finds that there is a
2 growing crisis in both the availability and cost of health insurance.
3 Millions of New Yorkers, many of whom are employed, are uninsured. Many
4 persons who would otherwise purchase individual coverage are precluded
5 from doing so because of the cost. Numerous factors can be tied to the
6 escalating cost of health insurance such as the aging population, tech-
7 nological advances, the cost of malpractice insurance and the unknown
8 cost of mandated benefits and services.
9 The legislature further finds a need to explore every avenue which
10 might lead to lower costs and increased availability of health insur-
11 ance. The legislature therefore desires to examine the process by which
12 mandated benefits and services are incorporated into New York's statutes
13 and to evaluate the costs associated with the existing statutory and
14 regulatory requirements which mandate the current coverages and
15 services. Therefore, the legislature declares that no bills which
16 mandate a particular benefit or service shall be considered by a stand-
17 ing committee until a full assessment, by the New York state insurance
18 department, is made of the impact of the proposed mandated benefit.
19 Further, the legislature directs the superintendent of insurance to
20 undertake a study of existing health insurance mandates, concentrating
21 on several specific aspects and possible consequences of mandated bene-
22 fits and services.
23 S 2. The legislative law is amended by adding a new section 68 to read
24 as follows:

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

LBD04065-01-9

1 S 68. BILLS MANDATING HEALTH INSURANCE BENEFITS. A BILL WHICH ENACTS
2 OR AMENDS ANY PROVISION OF LAW MANDATING EITHER HEALTH INSURANCE COVER-
3 AGE FOR SPECIFIC HEALTH SERVICES OR FOR CERTAIN PROVIDERS OF HEALTH CARE
4 SERVICES AS PART OF INDIVIDUAL, GROUP OR BLANKET ACCIDENT AND HEALTH
5 INSURANCE POLICIES, OR CONTRACTS ISSUED BY HOSPITAL OR HEALTH SERVICE
6 CORPORATIONS SHALL, PRIOR TO CONSIDERATION BY A STANDING COMMITTEE, BE
7 REVIEWED PURSUANT TO SECTION TWO HUNDRED FIFTEEN OF THE INSURANCE LAW.
8 FOR THE PURPOSES OF THIS SECTION, A MANDATED OPTION SHALL NOT BE CONSID-
9 ERED A MANDATED BENEFIT.

10 S 3. The insurance law is amended by adding a new section 215 to read
11 as follows:

12 S 215. MANDATED HEALTH INSURANCE BENEFITS. (A) PURSUANT TO THIS
13 SECTION AND SECTION SIXTY-EIGHT OF THE LEGISLATIVE LAW, IT SHALL BE THE
14 DUTY OF THE SUPERINTENDENT TO ASSESS THE IMPACT OF ANY BILL MANDATING
15 EITHER HEALTH INSURANCE COVERAGE FOR SPECIFIC HEALTH SERVICES OR FOR
16 CERTAIN PROVIDERS OF HEALTH CARE SERVICES AS PART OF INDIVIDUAL, GROUP
17 OR BLANKET ACCIDENT AND HEALTH INSURANCE POLICIES, OR CONTRACTS ISSUED
18 BY HOSPITAL OR HEALTH SERVICE CORPORATIONS.

19 (B) TO CARRY OUT THE PURPOSES OF THIS SECTION, THE SUPERINTENDENT
20 SHALL ASSESS THE IMPACT OF THE PROPOSED MANDATED BENEFIT, INCLUDING
21 COSTS TO EMPLOYERS AND INSURERS, COSTS TO THE HEALTH CARE SYSTEM AND
22 OTHER FACTORS WHICH THE SUPERINTENDENT DEEMS APPROPRIATE. AS PART OF
23 SUCH ASSESSMENT, THE SUPERINTENDENT SHALL CONSULT WITH PERSONS WHO ARE
24 LIKELY TO BE AFFECTED BY THE PROPOSED MANDATE, INCLUDING REPRESENTATIVES
25 OF: COMMERCIAL HEALTH INSURANCE COMPANIES, HOSPITAL AND HEALTH SERVICE
26 CORPORATIONS, SMALL BUSINESS, MAJOR INDUSTRY, THE HOSPITAL INDUSTRY,
27 PHYSICIANS, PROVIDERS OF SERVICES SPECIFIED IN THE BILL AND OTHER
28 PERSONS WHOM THE SUPERINTENDENT DEEMS APPROPRIATE. THE INFORMATION
29 RECEIVED FROM SUCH SOURCES SHALL BE INCLUDED IN THE SUPERINTENDENT'S
30 ASSESSMENT, WHICH SHALL BE FORWARDED WITHIN THIRTY DAYS OF THE INTRODUC-
31 TION OF THE BILL TO THE SPONSOR OF THE BILL AND THE CHAIRMAN AND RANKING
32 MINORITY MEMBER OF THE STANDING COMMITTEE TO WHICH THE BILL WAS
33 REFERRED. SHOULD THE SUPERINTENDENT FAIL TO REPORT BACK HIS FINDINGS TO
34 THE SPONSOR WITHIN THE ALLOTTED THIRTY DAYS, THE BILL SHALL BE DEEMED
35 ACTIVE AND CAN BE ACTED ON BY THE STANDING COMMITTEE TO WHICH SUCH BILL
36 WAS REFERRED.

37 S 4. (a) The superintendent of insurance shall undertake a study of
38 existing mandated health insurance benefits. The study shall include, at
39 a minimum and to the extent that information is available, the follow-
40 ing:

41 (1) The extent to which the treatment or service is utilized by a
42 significant portion of the population;

43 (2) The extent to which the treatment or service is available to the
44 population;

45 (3) The extent to which the mandated insurance coverage has increased
46 or decreased the cost of the treatment or service over the past five
47 years;

48 (4) The extent to which the mandated insurance coverage has affected
49 the number and types of providers of the mandated treatment or service
50 over the past five years;

51 (5) The extent to which insurance coverage of the health care service
52 or provider has increased or decreased the insurance premium and admin-
53 istrative expenses of policyholders;

54 (6) The impact of indirect costs, which are costs other than premiums
55 and administrative costs, on the question of the costs and benefits of
56 coverage;

(7) The impact of this coverage on the total cost of health care; and
(8) The effects on the cost of health care to employers and employees.

(b) The superintendent of insurance shall further consider:

(1) The extent to which the need for mandated benefits outweighs the costs associated with the mandate; and

(2) The advisability of mandating the availability of benefits which are presently mandated.

(c) The superintendent of insurance shall forward a report of the study to the legislature on or before December 31, 2012.

S 5. This act shall take effect on the first of September next succeeding the date on which it shall have become a law, except that section four of this act shall take effect immediately.