

# STATE OF NEW YORK

1668--A

2017-2018 Regular Sessions

## IN SENATE

January 10, 2017

Introduced by Sen. GALLIVAN -- 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:

1 Section 1. Section 213 of the insurance law, as added by section 1 of  
2 part L of chapter 57 of the laws of 2007, is amended to read as follows:  
3 § 213. New York state health care quality and cost containment commis-  
4 sion. (a) There is hereby established within the department a commis-  
5 sion, to be known as the "New York state health care quality and cost  
6 containment commission". The commission shall consist of thirteen  
7 members appointed by the governor, one of whom shall be the superinten-  
8 dent, one of whom shall be the commissioner of health, and six of whom  
9 shall be appointed on the recommendation of the legislative leaders, two  
10 on the recommendation of the temporary president of the senate, two on  
11 the recommendation of the speaker of the assembly, one on the recommen-  
12 dation of the minority leader of the senate, and one on the recommenda-  
13 tion of the minority leader of the assembly. All members shall serve at  
14 the pleasure of the governor, and vacancies shall be appointed in the  
15 same manner as original appointments. Members of the commission shall  
16 serve without compensation, but shall be reimbursed for reasonable trav-  
17 el expenses. In making appointments to the commission, the governor  
18 shall ensure that the interests of health care consumers, small busi-  
19 nesses, the medical community and health plans are represented on the  
20 commission, and that the commission include at least one actuary, one  
21 expert on health benefits, having no less than fifteen years of direct  
22 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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1 commission shall be seated no later than ninety days after the effective  
2 date of the chapter of the laws of two thousand eighteen which amended  
3 this section and all vacancies shall be filled as soon as practicable.

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

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

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

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

19 (B) investigate the potential premium impact of the proposed mandated  
20 benefits on all segments of the insurance market, as well as the poten-  
21 tial for avoided costs through early detection and treatment of condi-  
22 tions, or more cost-effective delivery of medical services; [~~and~~]

23 (C) analyze the most current [~~medical~~] and credible evidence based  
24 medicine literature regarding the proposed mandated benefit published in  
25 peer reviewed medical literature generally recognized by the relevant  
26 medical community to determine the effectiveness of the proposed  
27 mandated benefit and its impact on health care quality[~~+~~]; and

28 (D) investigate the potential cost to the state of the proposed  
29 mandated benefits in light of the implementation of the federal affor-  
30 able care act.

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

36 (c) To assist the commission in its duties, and upon the direction of  
37 the commission, the superintendent is authorized to enter into one or  
38 more contracts with independent entities and organizations with demon-  
39 strable expertise in health care quality, finance, utilization and actu-  
40 arial services. For the purposes of this section, the superintendent  
41 shall not enter into contracts with health plans, entities or organiza-  
42 tions owned or controlled by health plans, or with significant business  
43 relationships with health plans.

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

48 (e)(1) Beginning no later than nine months after the commission is  
49 seated, and reoccurring no less often than once every three years, the  
50 commission shall analyze the impact on health insurance costs and quali-  
51 ty of all state laws which mandate that health benefits be offered or  
52 made available in individual and group health insurance policies,  
53 contracts and comprehensive health service plans, including but not  
54 limited to laws that affect the delivery of health benefits or services  
55 or the reimbursement of health care providers.

56 (2) In evaluating each mandated benefit, the commission shall:

1 (A) investigate the current practices of health plans with regard to  
2 the mandated benefit, and, to the extent possible, self-funded health  
3 benefit plans including but not limited to avoided costs through early  
4 detection and treatment of conditions, or more cost-effective delivery  
5 of medical services;

6 (B) investigate the potential premium impact of repealing and/or modi-  
7 fying the mandated benefits on all segments of the insurance market;

8 (C) analyze the most current and credible evidence based medicine  
9 literature regarding the mandated benefit published in peer reviewed  
10 medical literature generally recognized by the relevant medical communi-  
11 ty to determine the effectiveness of the mandated benefit and its impact  
12 on health care quality; and

13 (D) investigate the potential cost to the state of the proposed  
14 mandated benefits in light of the implementation of the federal afforda-  
15 ble care act.

16 (3) In evaluating mandated benefits, the commission shall hold no less  
17 than two public hearings, and shall strive to obtain independent and  
18 verifiable information from diverse sources within the health care  
19 industry, medical community and among health care consumers with regard  
20 to each mandated benefit.

21 (4)(A) On or before the first day of February, two thousand nineteen,  
22 the commission shall submit to the legislature and disseminate to the  
23 public recommendations for the repeal and/or modification of state laws  
24 which mandate benefits, along with a single piece of legislation neces-  
25 sary to implement such recommendations. These recommendations shall not  
26 be expected to increase the average premium in the state. Upon receipt  
27 of such recommendations, the implementing legislation therefor shall be  
28 introduced in both houses of the legislature without any amendments  
29 within five days.

30 (B) The legislation introduced pursuant to subparagraph (A) of this  
31 paragraph shall be voted upon, without amendment, by both such houses of  
32 the legislature within ninety days, but not sooner than thirty days,  
33 after the commission submits its recommendations to the legislature. If  
34 approved, the legislature shall forward such legislation to the governor  
35 within five days.

36 § 2. This act shall take effect immediately.