

HCS HB 2209 -- HEALTH INSURANCE COVERAGE

SPONSOR: Molendorp

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Health Insurance by a vote of 8 to 0.

This bill prohibits any health insurance mandate that is applicable to health benefit plans written by a health carrier from applying to excepted benefit plans. For purposes of the exemption under this section, a "health insurance mandate" means a state requirement for a health carrier to offer or provide coverage for:

- (1) A treatment by a particular type of health care provider;
- (2) A certain treatment or service, including procedures, medical equipment, or drugs that are used in connection with a treatment or service; and
- (3) Screening, diagnosis, or treatment of a particular disease or condition.

The bill requires that all excepted benefit plans issued on or after January 1, 2015, must include a disclaimer printed in no less than 12-point font on the front of the policy, certificate, application and enrollment form, and all advertising materials which states:

"NOTICE TO CONSUMER: THIS PLAN IS NOT CONSIDERED "MINIMUM ESSENTIAL COVERAGE" AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL INSURANCE. THIS PLAN HAS LIMITS AND EXCLUSIONS AND MAY NOT COVER ALL HEALTH BENEFITS OR SERVICES."

If plan identification cards are issued to enrollees of excepted benefit plans, the cards must clearly and conspicuously state on the front of the card: "THIS IS NOT MINIMUM ESSENTIAL COVERAGE."

These provisions apply to all insurers that provide coverage to residents of this state that is issued or renewed on or after January 1, 2015.

PROPOSERS: Supporters say that excepted benefit plans are not traditional insurance policies, they pay a cash benefit only. These plans are often worksite sales as an addition to traditional insurance. The only benefit is a cash payment for the recipient and there is no specific use required for the cash, the recipient is just given a specified amount of cash for a specified number of days. Supporters say excepted benefit plans cannot provide parity because the plans do not provide coverage for anything, they merely

provide a cash payment.

Testifying for the bill were Representative Molendorp; AFLAC; and America's Health Insurance Plans.

OPPONENTS: There was no opposition voiced to the committee.