

1 **H. B. 2214**

2
3 (By Delegate Walters)

4 [Introduced January 12, 2011; referred to the
5 Committee on Health and Human Resources then Government
6 Organization.]
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10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new article, designated §33-15F-1, §33-15F-2,
12 §33-15F-3 and §33-15F-4, all relating to the "Mandated
13 Benefits Review Act"; and requiring the Insurance Commissioner
14 to review and report to the Legislature in an actuarially-
15 based fashion the financial and other related impacts of any
16 proposed legislation to mandate medical or health-related
17 benefits.

18 *Be it enacted by the Legislature of West Virginia:*

19 That the Code of West Virginia, 1931, as amended, be amended
20 by adding thereto a new article, designated §33-15F-1, §33-15F-2,
21 §33-15F-3 and §33-15F-4, all to read as follows:

22 **ARTICLE 15F. UNIFORM HEALTH CARE ADMINISTRATION ACT.**

23 **§33-15F-1. Mandated benefits review.**

1 This article may be known as the "Mandated Benefits Review
2 Act."

3 **§33-15F-2. Declaration of purpose.**

4 The purpose of this article is to provide for a review of
5 mandated benefits. This article requires that a proposed mandated
6 benefit or a proposed amendment to an existing law or a proposed
7 amendment to a legislative proposal for mandated health benefits,
8 mandated health insurance coverage, or mandated offerings of health
9 benefits, be reviewed by the Insurance Commissioner. The Insurance
10 Commissioner shall provide to the Legislature an actuarially-based
11 review with regard to the proposal's medical efficacy and cost
12 benefit. Twenty-five percent of existing mandated benefits shall
13 be reviewed annually through the process provided in this article.

14 **§33-15F-3. Definitions.**

15 (a) As used in this article, "mandated benefits" means the
16 following:

17 (1) Any mandated coverage for specific medical or health-
18 related services, treatments, medications or practices;

19 (2) Any mandated coverage of the services specific to health
20 care practitioners;

21 (3) Any mandate requiring an offering of specific services,
22 treatments, practices or an expansion of an existing coverage; and

23 (4) Any mandated reimbursement amount to specific health care
24 practitioners.

1 (b) "Offering" means that every carrier or health plan must
2 offer the mandated benefit to prospective customers.

3 (c) "Report" means an independent, actuarially-based review.

4 **§33-15F-4. Mandated health benefits review.**

5 (a) A legislative proposal or a proposed amendment to existing
6 law or a proposed amendment to a legislative proposal for a new
7 mandated health benefit shall be evaluated as to the proposal's
8 medical efficacy and financial impact. The legislative committee
9 considering the matter shall refer the legislative proposal or any
10 proposed amendment to an existing law, or any proposed amendment to
11 a legislative proposal to the Insurance Commissioner for review.

12 (b) The Insurance Commissioner shall retain an independent
13 actuary to review the legislative proposal within thirty days after
14 the legislative proposal is submitted and assure that appropriate
15 assumptions are used to accurately demonstrate the financial impact
16 of the proposed mandate or proposed amendment to a proposed mandate
17 or proposed amendment to existing law. The Insurance Commissioner
18 shall include the results of this review in the report required by
19 subsection (c) of this section.

20 (c) The Insurance Commissioner shall review the proposed
21 legislation and issue a report within thirty days as to whether:

22 (1) The information is complete;

23 (2) The research cited meets professional standards;

24 (3) All relevant research has been brought to light; and

1 (4) The conclusions and interpretations drawn from the
2 evidence are consistent with the data presented.

3 (d) The Insurance Commissioner shall provide the report to the
4 appropriate legislative committee, the Speaker of the House of
5 Delegates and to the President of the Senate.

6 (e) In preparing the report required by this section, the
7 Insurance Commissioner shall apply the following guidelines in
8 determining the adequacy of the information presented:

9 (1) If the insurance coverage is not generally in place, to
10 what extent the lack of coverage of the proposed benefit results in
11 financial hardship;

12 (2) What is the demand for the proposed health care coverage
13 from the public at large and in collective bargaining negotiations,
14 and to what extent voluntary coverage of the proposed benefit is
15 available; and

16 (3) The commissioner, in consultation with relevant medical
17 experts, shall consider evidence of medical efficacy.

18 (4) If the proposed legislation seeks to mandate coverage of
19 a particular therapy, then the results of at least one clinical
20 trial demonstrating the medical consequences of that therapy
21 compared to no therapy and to alternative therapies shall be
22 included as well as the results of any other relevant clinical
23 research;

24 (5) If the proposed legislation seeks to mandate coverage of

1 a specific class of practitioners or medical specialty, the results
2 of at least one professionally acceptable, controlled trial
3 demonstrating the medical results achieved by the specific class of
4 practitioners or medical specialty relative to those covered shall
5 be included as well as the results of any other relevant research.

6 (f) The Insurance Commissioner shall review evidence of
7 financial impact related to the legislative proposal, including,
8 but not limited to, the following:

9 (1) The extent to which coverage may decrease the appropriate
10 use of the treatment or service;

11 (2) The extent to which the same or similar mandates have
12 affected charges, costs, utilization and payments in other states;

13 (3) The extent to which the coverage may increase the
14 appropriate use of the treatment or service;

15 (4) The extent to which the mandated treatment or service will
16 be a substitute for more expensive or less expensive treatments or
17 services which may be appropriately administered otherwise;

18 (5) The extent to which the coverage may increase or decrease
19 the administrative expenses of third-party payers and the premium
20 and administrative expenses of policyholders;

21 (6) The financial impact of the mandated benefit on small
22 employers, medium-sized employers, large employers and any state-
23 sanctioned health benefit plan; and

24 (7) The financial impact of the mandated benefit purchasers of

- 1 individual coverage, state high-risk pools and any state-sanctioned
- 2 retirement system.

NOTE: The purpose of this bill is to require the Insurance Commissioner to review and report to the Legislature in an actuarially-based fashion the financial and other related impacts of any proposed legislation to mandate medical or health-related benefits.

This article is new; therefore, it has been completely underscored.