

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1108 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 1999]:
6 **Chapter 4. Mandated Health Insurance Services Evaluation**
7 **Sec. 1. The general assembly finds the following:**
8 (1) Before acting on proposed health insurance mandates, the
9 general assembly should carefully consider the effects of the
10 mandates on consumers, workers, and small businesses.
11 (2) The general assembly has sometimes acted without
12 adequate information concerning the costs of health
13 insurance mandates, focusing instead only on the benefits.
14 (3) The costs of health insurance mandates are sometimes
15 paid in part by consumers in the form of higher prices and
16 reduced availability of goods and services.
17 (4) The costs of health insurance mandates are sometimes
18 paid in part by workers in the form of lower wages, reduced
19 benefits, and fewer job opportunities.
20 (5) The costs of health insurance mandates are sometimes
21 paid in part by small businesses in the form of hiring
22 disincentives and stunted growth.
23 **Sec. 2. As used in this chapter, "commission" means the**
24 **mandated health insurance services evaluation commission**
25 **established under section 4 of this chapter.**
26 **Sec. 3. As used in this chapter, "mandated health insurance**
27 **service" means a legislative proposal that:**
28 (1) requires coverage, or requires offering of coverage, for
29 the expenses of specified services, treatments, diseases, or
30 lengths of stay under any policy, contract, plan, or other
31 arrangement providing sickness and accident or other health
32 care benefits to policyholders, subscribers, members, or

1 other beneficiaries; or
2 (2) requires direct reimbursement, or requires a specific
3 amount of reimbursement, of health care providers under
4 any policy, contract, plan, or other arrangement providing
5 sickness and accident or other health care benefits to
6 policyholders, subscribers, members, or other beneficiaries.
7 Sec. 4. The mandated health insurance services evaluation
8 commission is established to assess the social, medical, and
9 financial impacts of proposed mandated health insurance services.
10 Sec. 5. (a) The commission consists of eleven (11) members
11 appointed as follows:
12 (1) Two (2) members to represent small business, one (1) to
13 be appointed by the speaker of the house of representatives
14 and one (1) to be appointed by the president pro tempore of
15 the senate.
16 (2) Two (2) members to represent the insurance industry,
17 one (1) to be appointed by the speaker of the house of
18 representatives and one (1) to be appointed by the president
19 pro tempore of the senate.
20 (3) One (1) member to represent labor, to be appointed by
21 the speaker of the house of representatives.
22 (4) One (1) member who is employed with an independent
23 actuarial firm, to be appointed by the president pro tempore
24 of the senate.
25 (5) Two (2) members who are physician providers, one (1) to
26 be appointed by the speaker of the house of representatives
27 and one (1) to be appointed by the president pro tempore of
28 the senate. At least one (1) member appointed under this
29 subdivision shall represent Indiana hospitals.
30 (6) Three (3) members who are consumers and who are
31 employed, one (1) to be appointed by the president pro
32 tempore of the senate and two (2) to be appointed by the
33 speaker of the house of representatives. Not more than one
34 (1) member appointed under this subdivision may be a
35 member of or represent a consumer advocate group or
36 organization.
37 (b) Not more than six (6) members appointed to the
38 commission may be members of the same political party.
39 (c) The members of the commission shall elect the
40 commission's chairperson.
41 Sec. 6. (a) The commission shall meet at the call of the
42 chairperson.
43 (b) Six (6) members of the commission constitute a quorum.
44 (c) The commission may take a final action upon the approval
45 of six (6) members of the commission.
46 Sec. 7. (a) Each commission member who is not a state
47 employee is entitled to the minimum salary per diem provided by
48 IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement
49 for traveling expenses and other expenses actually incurred in
50 connection with the member's duties, as provided in the state travel
51 policies and procedures established by the Indiana department of
52 administration and approved by the budget agency.

1 (b) Each commission member who is a state employee is
 2 entitled to reimbursement for traveling expenses and other
 3 expenses actually incurred in connection with the member's duties,
 4 as provided in the state travel policies and procedures established
 5 by the Indiana department of administration and approved by the
 6 budget agency.

7 Sec. 8. The legislative services agency shall provide
 8 administrative support for the commission.

9 Sec. 9. (a) If a bill or resolution that is introduced or pending
 10 in the general assembly contains a mandated health insurance
 11 service, the commission shall determine the following:

12 (1) The social impact of the proposed mandate, including the
 13 following:

14 (A) The extent to which the service is needed by and
 15 generally used by a significant portion of Indiana
 16 citizens.

17 (B) The extent to which insurance coverage for the
 18 service is already generally available.

19 (C) If insurance coverage for the service is not generally
 20 available, the extent to which the lack of coverage
 21 results in individuals avoiding necessary health care
 22 treatment.

23 (D) If insurance coverage for the service is not generally
 24 available, the extent to which the lack of coverage
 25 results in unreasonable financial hardships.

26 (E) The level of the public demand for the service.

27 (F) The level of the public demand for insurance
 28 coverage for the service.

29 (G) The extent of public demand for the inclusion of
 30 insurance coverage for the service in policies, contracts,
 31 plans, or other arrangements negotiated through
 32 collective bargaining.

33 (H) The extent to which the service is covered or
 34 provided by self-funded employer groups in Indiana
 35 that employ at least five hundred (500) employees.

36 (2) The medical impact of the proposed mandate, including
 37 the following:

38 (A) The extent to which the service is generally
 39 recognized by the medical community as being effective
 40 in the treatment of patients.

41 (B) The extent to which the service is generally
 42 recognized by the medical community, as demonstrated
 43 by a review of scientific and peer review literature.

44 (C) The extent to which the service is generally available
 45 and used by treating physicians.

46 (D) If the proposed mandate would require insurance
 47 coverage for a particular therapy, the results of at least
 48 one (1) professionally-accepted controlled trial
 49 comparing the medical consequences of the proposed
 50 therapy, alternative therapies, and no therapy.

- 1 (E) If the proposed mandate would require insurance
 2 coverage for an additional class of persons, the results of
 3 at least one (1) professionally-accepted controlled trial
 4 comparing the medical results achieved by the
 5 additional class of persons and the persons already
 6 covered.
- 7 (3) The financial impact of the proposed mandate, including
 8 the following:
- 9 (A) The extent to which insurance coverage for the
 10 service will increase or decrease the cost of the service.
- 11 (B) The extent to which insurance coverage for the
 12 service will increase the appropriate use of the service.
- 13 (C) The extent to which the service will be a substitute
 14 for a more expensive service.
- 15 (D) The extent to which insurance coverage for the
 16 service will increase or decrease the administrative
 17 expenses of insurers and the premiums and
 18 administrative expenses of policyholders, subscribers,
 19 members, or other beneficiaries under policies,
 20 contracts, plans, or other arrangements.
- 21 (E) The effect of the mandate, including any
 22 disproportionate impact in particular regions or
 23 industries, on consumers, workers, and small businesses,
 24 including the effect of the mandate on the following:
- 25 (i) Consumer prices and the supply of goods and
 26 services in consumer markets.
- 27 (ii) Worker wages, worker benefits, and
 28 employment opportunities.
- 29 (iii) Hiring practices, expansion, and profitability of
 30 businesses, including the hiring practices,
 31 expansion, and profitability of businesses with not
 32 more than one hundred (100) employees.
- 33 (F) The effect of the insurance coverage for the service
 34 on the total cost and availability of health care in
 35 Indiana.
- 36 (G) The effect of the mandate on employers' ability to
 37 purchase health insurance policies meeting their
 38 employees' needs.
- 39 (b) The commission shall also have prepared an actuarial
 40 analysis of each mandated health insurance service described in
 41 subsection (a). The actuarial analysis must:
- 42 (1) be prepared by or under the supervision of an actuary;
 43 (2) be completed in accordance with the actuarial standards
 44 of practice adopted by the Actuarial Standards Board of the
 45 American Academy of Actuaries; and
 46 (3) include at least the following:
- 47 (A) A summary of the mandated health insurance
 48 service.
- 49 (B) A description or reference to the actuarial
 50 assumptions and actuarial cost methods used in the

1 **analysis.**
2 **(C) A statement of the financial impact of the proposed**
3 **mandated health insurance service on public and private**
4 **insurance markets.**
5 **Sec. 10. The commission shall prepare the mandated health**
6 **insurance service analysis required by subsection (a) and shall**
7 **provide copies of the analysis to any committee of the house of**
8 **representatives or the senate to which the bill is assigned."**
9 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1108 as printed April 6, 1999.)

Senator MILLS