

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1331 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 AS
4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
5 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 insurance**
13 **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 the**
29 **expenses of specified services, treatments, diseases, or lengths**
30 **of stay under any policy, contract, plan, or other arrangement**
31 **providing sickness and accident or other health care benefits**
32 **to policyholders, subscribers, members, or other**

1 beneficiaries; or
2 (2) requires direct reimbursement, or requires a specific
3 amount of reimbursement, of health care providers under any
4 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 be
13 appointed by the speaker of the house of representatives and
14 one (1) to be appointed by the president pro tempore of the
15 senate.
16 (2) Two (2) members to represent the insurance industry, one
17 (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 the
21 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 (1)
34 member appointed under this subdivision may be a member
35 of or represent a consumer advocate group or organization.
36 (b) Not more than six (6) members appointed to the commission
37 may be members of the same political party.
38 (c) The members of the commission shall elect the commission's
39 chairperson.
40 Sec. 6. (a) The commission shall meet at the call of the
41 chairperson.
42 (b) Six (6) members of the commission constitute a quorum.
43 (c) The commission may take a final action upon the approval
44 of six (6) members of the commission.
45 Sec. 7. (a) Each commission member who is not a state employee
46 is entitled to the minimum salary per diem provided by
47 IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement
48 for traveling expenses and other expenses actually incurred in
49 connection with the member's duties, as provided in the state travel
50 policies and procedures established by the Indiana department of
51 administration and approved by the budget agency.
52 (b) Each commission member who is a state employee is entitled

1 to reimbursement for traveling expenses and other expenses
 2 actually incurred in connection with the member's duties, as
 3 provided in the state travel policies and procedures established by
 4 the Indiana department of administration and approved by the
 5 budget agency.

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

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

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

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

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

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

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

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

24 (F) The level of the public demand for insurance coverage
 25 for the service.

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

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

33 (2) The medical impact of the proposed mandate, including
 34 the following:

35 (A) The extent to which the service is generally recognized
 36 by the medical community as being effective in the
 37 treatment of patients.

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

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

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

48 (E) If the proposed mandate would require insurance
 49 coverage for an additional class of persons, the results of
 50 at least one (1) professionally-accepted controlled trial

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

- 1 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1331 as printed April 6, 1999.)

Senator MILLS