



Senate Health and Human Services Committee

April 17, 2018

HB 1809-FN Relative to balance billing under the managed care law.

Testimony

Good afternoon, Mr. Chairman and members of the committee. My name is Paula Minnehan and I am the VP, State Government Relations with the New Hampshire Hospital Association (NHHA), representing all 26 of the state's community hospitals as well as all of our specialty hospitals.

The New Hampshire Hospital Association is opposed to HB 1809, as drafted. We appreciate all the work the Study Committee did last fall to study balance billing through the passage of HB329. NHHA attended all of the committee's meetings and participated in the discussions and provided stakeholder input.

While the final committee report defines the issues of balance billing and provides a recommendation for moving forward, NHHA continues to question what the full scope of the issue is in NH. Legislative concerns regarding balance billing was initially raised back in 2016, when a bill was introduced to address this topic. The bill was amended in 2017 and the result was the creation of the study committee, which concluded in late 2017. We are now in 2018 and, while we repeatedly requested data from the Insurance Department to assist all stakeholders in better understanding the scope of the issue, we have not seen any data, to date, that outlines what might be happening here in NH.

It is our position that, while the issue of out-of-network balance billing may be a larger issue in other areas of the country, it remains a question to NHHA if this is a significant issue in in our state. Having said that, we would expect States with more limited networks to see an increase in the practice of balance billing. If NH was to see in increase in limited networks (few providers under contract with insurer) for patients, we believe this could end up becoming a network adequacy issue.

Ultimately, we believe the patient should not be caught in the middle with a balance bill if the insurance product they purchased does not have an out-of-network benefit. However, we have concerns about the approach of HB 1809. As an alternative, we would encourage you to consider the National Association of Insurance Commissioners (NAIC) Model Act, which provides a uniform basis in which states can implement a framework to ensure a comprehensive approach. You can review the NAIC Model Act at <http://www.naic.org/store/free/MDL-074.pdf>.

In addition, we are supportive of the amendment proposed by the NH Medical Society. We believe the amendment is a balanced approach that compels both parties (providers and insurance companies) to negotiate through a mediation process as the first step in the case of a dispute. The other amendment that we are supportive of is adding prudent layperson language to the insurance statute. NH is one of only a handful of states that does not have prudent layperson language in their insurance statute and we believe it is necessary to ensure patient protections in the event of care being sought in an emergency. The language in the

amendment is consistent with many other states and federal ERISA laws. We appreciate the amendment being introduced and are hopeful that it will be acceptable to the full committee. We also would appreciate consideration of the amendment to modify HB 1809 to ensure a more fair and reasonable dispute resolution process.

I appreciate the opportunity to share our comments with you. I am happy to answer any questions you may have.