

Minimum Benefit Legislation

State	Eligible Populations	Key Points of Legislation
<p>Arkansas (HB 1632) <i>The Health Insurance Consumer Choice Act</i> (2001)</p>	<p>Individual and small group markets <100</p>	<p>Consumers must state in writing that they are aware of their rejection of a full coverage plan (modified in 2003). Also allows employers with up to 100 workers to join a health insurance purchasing group (HIPG).</p>
<p>Colorado <i>HB 1164</i> (2003)</p>	<p>Small groups</p>	<p>Allows small employers to purchase "basic health benefit plans," which do not cover some state-mandated services.</p>
<p>Florida <i>SB 46E</i> (2002)</p>	<p>≤ 64 years; < 200 % FPL, uninsured for last 6 months; not eligible for public coverage, lives in county specified by agency.</p>	<p>Made available "health flex plan" to be sold by insurers, HMOs, PSOs, and public or private community-based organizations. Plan can limit/exclude benefits required by law, cap the total amount of claims paid per year, limit enrollment, or take any combination of these actions. Plans are free from all statutorily required health care benefit mandates.</p>
<p>Kentucky <i>HB 278</i> (2005) <i>The Small Business Insurance Relief Act</i></p>	<p>Individuals and employers with <50 employees</p>	<p>Creates a basic health benefit plan to make insurance more affordable by tailoring benefits to specific needs, creating a uniform system for physicians to receive credentials with insurers or hospitals, and establishing an advisory committee to help Kentucky provide patients with quality and cost information about their health care.</p>
<p>Maryland <i>SB 570</i> (2004)</p>	<p>Small group market (small employers whose employees earn ≤ 75% of average annual wage in state, and employers that have not offered the standard plan for past year.</p>	<p>Legislation requires carriers who insure ≥ 10% of covered lives in the small group market to offer the limited plan. Other carriers may offer it if they choose. The actuarial value of the limited plan cannot exceed 70% of the actuarial value of the comprehensive standard health benefit plan.</p>

Minnesota SF 84 (1999)	Small groups	Benefit plans may alter or eliminate coverage that is required by law, other than the requirement that care provided for covered services such as osteopaths, optometrists, and chiropractors be reimbursed on a nondiscriminatory basis.
Montana HB 384 (2003)	Individual market (As long as insurers indicate which services are limited or not covered, they may provide these plans to residents who have remained uninsured for > 90 days.)	Inpatient services are not covered in these plans. Insurers may also limit coverage for newborns, severe mental illness, emergency services, certain basic health services, and services provided by a certain category of licensed health care practitioners. Demonstrations may be renewed for additional 12-month periods for up to five years, effective until 2009.
New Jersey SB 13 (2002)	Individual and small group market	Every carrier that writes individual health benefits plans shall offer a plan in the individual market that includes only certain benefits.
North Dakota HB 1226 (2001)	Individual and small group	Allows insurers to sell plans without any or all of the state mandates.
Texas SB 10 (2004)	Individual and small group	Legislation requires: 1) that carriers offer at least one plan offering all the mandated benefits required by law, 2) that insurers disseminate written disclosures listing the mandated benefits absent from the health plan.
Utah HB 122 (2002)	Individual and small group	Permits an insurance carrier to offer coverage similar to what is offered under the states' 1115 Medicaid waiver (Utah Primary Care Network).
Washington HB 2460 (2004)	Small group (businesses with 2-50 employees)	Allows the purchase of a "value plan." The bill removes single-person "groups," lowers costs of claims, streamlines some administrative costs, protects portability of policies, and implements new rating factors for health insurance plans.

Arkansas <http://www.arkleg.state.ar.us/ftproot/bills/2001/htm/HB1632.pdf>

Kentucky <http://www.lrc.ky.gov/record/05rs/HB278.htm>

Limited Benefit Plans

Another tactic states have explored to address the issue of rising health insurance premiums is allowing health insurance carriers to offer plans that do not include all state mandated health benefits. Typically, these types of plans have somewhat lower premiums because they do not provide coverage for many costly treatments. Traditionally take-up of these "bare-bones" or "mandate-light" policies has been low, however, states are still exploring this option. Below are a few examples of states that are currently considering legislation that would allow carriers to offer these limited benefit packages.

- Existing Montana law allows the Commissioner of Insurance to approve a 12-month demonstration project that allows a health insurance carrier to offer a limited coverage individual health benefit plan or managed care plan. A bill currently being considered (H.B. 318) extends eligibility criteria for the demonstration project to include those residents who either lost eligibility for a health plan because of age or lost coverage under a federally funded health insurance program because of age or failure to meet financial guidelines. The bill also adds coverage for diabetic education, treatment, services, and supplies and coverage for treatment of congenital metabolic disorders to the list of health services that the demonstration project may exclude from its health benefits plan or managed care plan.

- Illinois H.B. 500 creates the Illinois Consumer Choice of Benefits Health Insurance Plan Act, which allows health insurers to offer coverage options that do not include state-mandated health benefits to those in the individual market. The bill does require applications and policies to provide notice that the policy may not include some or all state-mandated benefits. The bill also stipulates that an insurer that offers one or more Consumer Choice of Benefits Health Insurance Plans must also offer at least one plan that includes coverage for all state-mandated health benefits.

- Indiana S.B. 269 allows health insurance carriers to offer a limited mandate policy to individuals and businesses with fewer than 50 employees who had not offered insurance during the previous calendar year. The insurer must provide a list of the benefits that the policy does not include. Policies for individuals must provide coverage for newborn testing, diabetes treatment, adopted children, and minimum maternity related benefits. Policies for small businesses must include screening for breast, prostate and colorectal cancer as well. There are differing House (H.B. 1487) and Senate versions, but they are similar. In his *2005 Agenda for an Indiana Comeback*, Gov. Mitch Daniels (R) proposed a similar plan for those below 200 percent of the federal poverty level and for businesses with fewer than 75 employees.

- The legislation in Kentucky, H.B. 278, applies to even smaller businesses -- those with between two and 10 employees. Insurance companies still would be required to cover federally mandated benefits, as well as costs for diabetes treatments, hospice services, and chiropractic care. The bill also creates a high-risk insurance pool to help cover costs for the employees with the most expensive medical conditions. The high-risk pool would be funded by an assessment on premiums among participating businesses.

- Two bills on the table in Georgia have recently been reconciled into one bill, S.B. 174, called the "Small Business Employee Choice of Benefits Health Insurance Plan Act." Specifically, the bill allows insurers in the individual and small group markets to offer an alternative health benefit plan to both individuals and businesses with 15 or fewer employees that provides coverage for some, but not all, state-mandated benefits. Individuals purchasing such a limited benefit plan must acknowledge in writing that they understand that many services are not covered in the policy. The bill recently passed both the House and the Senate.