



SPONSOR: Rep. Bentz

HOUSE OF REPRESENTATIVES  
151st GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 1  
TO  
SENATE BILL NO. 107

AMEND Senate Bill No. 107 by deleting lines 12 through 13 in their entirety and inserting in lieu thereof the following:

“(d) This section does not apply to any of the following:

(1) Accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care, disability income, or other limited benefit health insurance policies.

(2) A high deductible health plan if providing coverage under subsection (b) of this section would cause the plan to fail to be treated as a high deductible health plan under § 223(c)(2) of the Internal Revenue Code.

(3) A catastrophic health plan if providing coverage under subsection (b) of this section would cause the plan to fail to be treated as a catastrophic plan under § 1302(e) of the Patient Protection and Affordable Care Act, 42 U.S.C. § 18022(e).”.

FURTHER AMEND Senate Bill No. 107 by deleting lines 27 through 28 in their entirety and inserting in lieu thereof the following:

“(d) This section does not apply to any of the following:

(1) Accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care, disability income, or other limited benefit health insurance policies.

(2) A high deductible health plan if providing coverage under subsection (b) of this section would cause the plan to fail to be treated as a high deductible health plan under § 223(c)(2) of the Internal Revenue Code.”.

SYNOPSIS

This amendment creates exemptions for 2 types of health plans because this requirement conflicts with the current federal requirements for catastrophic and high deductible health plans. Both exemptions apply only if this requirement conflicts the federal law governing the type of health plan.

A high deductible health plan (HDHP) is an insurance policy that has a higher deductible and lower premiums than traditional insurance plans. The Internal Revenue Code establishes the requirements for HDHPs, which include minimum deductibles and maximum out-of-pocket expenses. Under the Affordable Care Act, HDHPs may provide preventive care benefits without a deductible or other requirements, if the benefit is described as preventive care under § 1861 of the Social Security Act or determined to be preventive care in guidance issued by the Department of the Treasury. The most recent IRS guidance regarding preventive care benefits that are permitted to be provided by HDHPs includes

insulin but does not include insulin pumps. Thus, this amendment exempts high deductible health plans if providing coverage under this Act if doing so would cause the plan to fail to be treated as a high deductible health plan under § 223(c)(2) of the Internal Revenue Code.

Catastrophic health insurance plans are only available to people under age 30 and are not included in group health insurance. Catastrophic plans have low monthly premiums and very high deductibles because the individual insured under the plan must pay for most routine medical expenses. While catastrophic health insurance plans cover some preventive care, federal law limits the preventive care services that can be included in these plans and currently excludes the coverage required under this Act.