

FORTY-NINTH LEGISLATURE  
FIRST SESSION, 2009

SB 259/a

February 25, 2009

Madam President:

Your **CORPORATIONS AND TRANSPORTATION COMMITTEE**, to whom has been referred

**SENATE BILL 259**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 12, after "MEASURES", insert "FOR POLICIES COVERING SMALL EMPLOYERS' EMPLOYEES AND THEIR DEPENDENTS".

2. On page 2, between lines 5 and 6, insert the following new subsection:

"B. The provisions of this section shall not apply to policies intended to supplement major medical group-type coverages, such as medicare supplement, long-term care, disability income, specified disease, accident-only, hospital indemnity or other limited-benefit health insurance policies."

3. Reletter the succeeding subsection accordingly.

4. On page 2, line 11, before the semicolon, insert "that is provided to small employers' employees and their dependents".

5. On page 2, between lines 11 and 12, insert the following new paragraph:

"(2) "direct services" means services rendered to an individual by a health insurer or a health care practitioner, facility or other provider, including case management, disease management, health education and promotion, preventive services, quality incentive payments to providers and any portion of an assessment that covers services rather than administration and for which an insurer does not receive a tax credit pursuant to the Medical Insurance Pool Act or the Health Insurance Alliance Act;

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provided, however, that "direct services" does not include care coordination, utilization review or management or any other activity designed to manage utilization or services;".

6. Renumber the succeeding paragraphs accordingly.

7. On page 2, strike lines 15 through 18 and insert in lieu thereof:

"(4) "medical loss ratio" means the difference between the total cost of direct services and the sum of premiums earned;".

8. On page 2, line 20, strike "and".

9. On page 2, line 23, strike the period and end quotation mark, and insert in lieu thereof "; and".

10. On page 2, between lines 23 and 24, insert the following new paragraph:

"(7) "small employer" means any person, firm, corporation, partnership or association actively engaged in business who, on at least fifty percent of its working days during either of the two preceding years, employed no fewer than two and no more than fifty eligible employees; provided that:

(a) in determining the number of eligible employees, the spouse or dependent of an employee may, at the employer's discretion, be counted as a separate employee;

(b) companies that are affiliated companies or that are eligible to file a combined tax return for purposes of state income taxation shall be considered one employer; and

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(c) in the case of an employer that was not in existence throughout a preceding calendar year, the determination of whether the employer is a small or large employer shall be based on the average number of employees that it is reasonably expected to employ on working days in the current calendar year."".

Respectfully submitted,

\_\_\_\_\_  
Phil Griego, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 7 For 0 Against  
Yes: 7  
No: 0  
Excused: Cravens, Duran, Lovejoy  
Absent: None

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