HDHP Task Force Response

1. The IRS has recently amended its guidance of HSA-qualified HDHPs to allow plans to provide first-dollar coverage of several specific treatments for chronic conditions within the safe harbor. (IRS Notice 2019-45). But such coverage, while now permitted, is still optional. The Task Force is considering whether Connecticut should mandate first-dollar coverage of those treatments for all HDHPs. What, in the Department's view, are the legal and technical issues that would attend to such a mandate? What are the likely effects of such a mandate on consumers, both in the subsidized and unsubsidized market?
    - Premium impact of mandating all 14 categories to be first dollar: would increase premium for HDHPs.
    - Potential impact on AV calculator results
    - Potential impact on MH/SA parity calculations

2. A member of the task force has asked about mandating first-dollar coverage of mental and behavioral health services. While this would require Federal action in the HSA-qualified plans, presumably it is something the state could mandate for fully-insured non-HSA plans. What are the legal and technical issues that would attend such a mandate, and what are the likely effects on consumers, both in the subsidized and unsubsidized market?
    - The first point is correct for HSA-qualified plans as the Feds stated on the conference call last July that the only changes allowed are the 14 items listed in the regulation.
    - Premium impact: would increase premiums for fully insured non-HSA HDHPs
    - Potential impact on AV calculator results
    - Potential reverse MH/SA parity issue

3. Some members of the Task Force are particularly interested in a potential reform that would require carriers to pay providers the full allowed amount of all charges, even those subject to the deductible, and then require the carriers to turn around and collect any deductible amounts directly from the patient, in both HSA-qualified HDHPs and in other health plans with high deductibles. In other words, make the insurance carrier, not the provider, responsible for collecting all deductible dollars owed by the patient. What, in the Department's view, are the legal and technical issues that would attend to such a reform, and what are the likely effects on consumers, both in the subsidized and unsubsidized market? And assuming the state does have some authority to impose such a requirement on fully insured plans, is there any difference in the state's authority with regards to HSA-qualified vs. non-HSA HDHPs?
    - This could affect the tax-qualified status of HSA-qualified HDHPs.
    - Health carriers administrative and IT systems may not currently be set-up to collect $'s directly from members.
    - Premium impact: could potentially increase administrative costs as well as claim costs, both of which would increase premium.