

GREATER NASHUA CHAMBER OF COMMERCE

THE CHAMBER

THE "BOTTOM LINE" LEGISLATIVE REPORT

A Weekly Report From the Chamber on Issues Affecting You in the State Capital

March 28, 2005

Issue #11

THE WEEK JUST PAST...

Small Group Insurers (HB 611). It will be no surprise if the House quietly adopts **HB 611-FN**, the Commerce Committee's "solution" to the adverse consequences of **SB 110**. What is surprising is the fact that the House measure is not really that incompatible with the Senate measure.

Both bills eliminate health status and geography as case characteristics for rating purposes. After offer and acceptance of coverage, both bills allow insurers access to health information for purposes of evaluating whether the insurer wishes to cede risk through the reinsurance mechanism that each bill establishes. And, each bill establishes restrictions on rating variability, with the Senate rating restrictions imposed factor by factor and the House rating restrictions imposed through application of a "composite rate band".

The expected market effects of the two versions will continue to be explored and debated. The New Hampshire Insurance Department has published periodic analyses of those expected effects on rating as the bills have been discussed. Look to see discussion of a "phase in" as the bills move forward. Both **SB 125-FN** and **HB 611-FN** contemplate a significant compression of the present rating bands. Given the concern generated by the re-pricing of the market under **SB 110**, sponsors and legislative leaders will likely want to consider imposing the new limitations in a manner which minimizes disruption.

The upshot of both bills is that some small businesses will see an increase in rates and others will see a decrease. Same issue as **SB 110** – businesses are differently impacted.

Research And Development Tax Credits (HB 466). On Wednesday, the House overwhelmingly voted to kill **HB 466**, which would have established R&D tax credits. The Chamber, along with a number of business organizations, supported this bill. The House vote seemed to be a product of the tight fiscal picture in the state at the moment, and a reluctance to do anything which might diminish revenues in the short-term. There does seem to be a recognition, however, on the part of members of the House Ways & Means Committee, that this is an issue which needs to be looked at further. You can look for a committee to be established to study this question further next fall.

State Budget Deliberations. Division III of the House Finance Committee, which is the subcommittee that reviews the Health & Human Services portion of the state budget, reached agreement last week with a proposed preliminary budget that cuts well over \$100 million out of the HHS budget. This preliminary budget, which is **HB 1**, will have its public hearings tomorrow, March 29th, all day in Representative's Hall at the State House. You can expect that public hearing to be a hot one.

Division I increased the funds to LCHIP over the last biennium, but cut the Governor's request in half.

THE WEEKS AHEAD...

March 29, 2005

SB 193 (Occupational Safety & Health Administration Certification requirements for state contracts) – Hearing – 8:15 a.m., SH 103
<http://gencourt.state.nh.us/legislation/2005/SB0193.html>

SB 65 (ratifying changes to the state building code adopted by the state building code review board) – Hearing – 1:00 p.m., LOB 306
<http://gencourt.state.nh.us/legislation/2005/SB0065.html>

SB 205 (private actions under the consumer protection act) – Hearing – 1:00 p.m., SH 100 <http://gencourt.state.nh.us/legislation/2005/SB0205.html>

SB 196 (establishing a joint legislative committee to study medical malpractice insurance rates) – Hearing – 1:30 p.m., SH 100
<http://gencourt.state.nh.us/legislation/2005/SB0196.html>

SB 214 (screening panels for medical injury claims) – Hearing – 1:30 p.m., SH 100 <http://gencourt.state.nh.us/legislation/2005/SB0214.html>

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