

TO: The Honorable Clark Shultz, Chair
House Insurance Committee

FROM: William W. Sneed, Legislative Counsel
America's Health Insurance Plans

SUBJECT: H.B. 2565

DATE: February 15, 2012

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for America's Health Insurance Plans ("AHIP"). AHIP is a trade association representing nearly 1,300 member companies providing health insurance coverage to more than two million Americans. Our member companies offer medical expense insurance, long-term care insurance, disability income insurance, dental insurance, supplemental insurance, stop-loss insurance and reinsurance to consumers, employers and public purchasers. Please accept this testimony as our opposition to H.B. 2565, and our request that the Committee not act favorably on this bill.

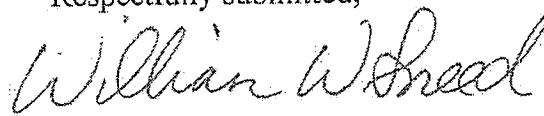
As we read the bill, at the request of a physician, a health insurer must provide that physician and patient a specific amount that would be paid under a given situation provided by the physician in the request. Further, whatever information the insurer gives to the physician/patient shall be accurate and binding.

Although it is possible for insureds to get "estimates" of coverages on a given procedure, such amounts are exactly that—estimates. It is impossible for an insurer to provide such information to be "accurate and binding" prior to the actual procedures and/or services being provided. There are simply too many unknown variables to make such an "estimate" concise enough that it could in any way be "binding."

Further, such a procedure would most likely add additional cost to the system, and given the ultimate information that could possibly be procured by this process, the cost would substantially outweigh any potential benefit.

Thus, we respectfully request that the Committee not act favorably on H.B. 2565. I am available for questions at your convenience.

Respectfully submitted,



William W. Sneed

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Attachment # 13