

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board
--in recent past or present

- AT&T Services, Inc.
 - centerpoint360
 - UPS
 - Bayer Corporation
 - GlaxoSmithKline
 - Energy Future Holdings
 - Johnson & Johnson
 - Coca-Cola Company
 - PhRMA
 - Kraft Foods, Inc.
 - Coca-Cola Co.
 - Pfizer Inc.
 - Reed Elsevier, Inc.
 - DIAGEO
 - Peabody Energy
 - Intuit, Inc.
 - Koch Industries, Inc.
 - ExxonMobil
 - Verizon
 - Reynolds American Inc.
 - Wal-Mart Stores, Inc.
 - Salt River Project
 - Altria Client Services, Inc.
 - American Bail Coalition
 - State Farm Insurance
- For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

[Home](#) → [Model Legislation](#) → Health and Human Services
Mandated Benefits Review Act

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

Section 1. This Act may be cited as the Mandated Benefits Review Act.

Section 2. {Statement of Purpose.}

The purpose of this Act is to provide for a review of mandated benefits. This Act requires that a proposed mandated benefit or an amendment to an existing law or an amendment to a proposal for mandated health benefits, mandated health insurance coverage, or mandated offerings of health benefits, be reviewed by the Department of Insurance. The Department of Insurance shall provide to the legislature an actuarially-based review with regard to the proposal's medical efficacy and cost benefit(s). A {insert amount} percentage of existing mandated benefits shall be reviewed annually through the process outlined in this Act.

Section 3. {Definitions.}

(A) "Mandated benefits" shall include:

- (1) any mandated coverage for specific medical or health-related services, treatments, medications or practices;
- (2) any mandated coverage of the services specific to health care practitioners;
- (3) any mandate requiring an offering of specific services, treatments, practices; or an expansion of an existing coverage, and
- (4) any mandated reimbursement amount to specific health care practitioners.

(B) "Offering" means that every carrier or health plan must offer the mandated benefit to prospective customers.

(C) "Report" means an independent, actuarially-based review.

Section 4. {Mandated Health Benefits Review.}

(A) {Report.} A proposal or an amendment to an existing law or an amendment to a proposal for a new mandated health benefit shall be evaluated as to the proposal's medical efficacy and financial impact. The committee having jurisdiction shall refer the proposal or any amendment to an existing law or any new amendment to a proposal to the {insert the appropriate state insurance department} for review.

(B) {Department of Insurance Review.} The Department of Insurance shall retain an independent actuary to review the proposal or amendment within {insert time frame} after the documentation is submitted and assure that appropriate assumptions are used to accurately demonstrate the financial impact of the proposed mandate or amendment to a proposed mandate or an amendment to an existing law. The Department of Insurance shall include the results of this review in the report required by Subsection (C) of this Section.

(C) {Department of Insurance Report.} The Department of Insurance shall review the documentation submitted with the proposed legislation and shall issue a report within {insert time frame} as to whether:

- (1) the information is complete;
- (2) the research cited meets professional standards;
- (3) all relevant research has been brought to light; and

(4) the conclusions and interpretations drawn from the evidence are consistent with the data presented. The Department of Insurance will provide the report to the appropriate legislative committee and to the leadership of the originating legislative body, i.e. House or Assembly, or Senate.

(D) {Guidelines.} In preparing the report required in (C), the Department of Insurance shall apply the following guidelines in determining the adequacy of the information presented:

- (1) If the insurance coverage is not generally in place, to what extent the lack of coverage of the proposed benefit results in financial hardship.
- (2) What is the demand for the proposed health care coverage from the public at large and in collective bargaining negotiations, and to what extent voluntary coverage of the proposed benefit is available.

(3) The Department of Insurance, in consultation with relevant medical experts, shall consider evidence of medical efficacy:

(a) if the legislation seeks to mandate coverage of a particular therapy:

(i) the results of at least one clinical trial demonstrating the medical consequences of that therapy compared to no therapy and to alternative therapies; and

(ii) the results of any other relevant clinical research.

(b) if the legislation seeks to mandate coverage of a specific class of practitioners or medical specialty:

(i) the results of at least one professionally-acceptable, controlled trial demonstrating the medical results achieved by the specific class of practitioners or medical specialty relative to those already covered; and

(ii) the results of any relevant research.

(4) The Department of Insurance shall review evidence of financial impact, including but not limited to:

(a) the extent to which coverage will increase or decrease the cost of treatment or service;

(b) the extent to which the same or similar mandates have affected charges, costs, utilization and payments in other states;

(c) the extent to which the coverage will increase the appropriate use of the treatment or service;

(d) the extent to which the mandated treatment or service will be a substitute for more expensive or less expensive treatments or services;

(e) the extent to which the coverage will increase or decrease the administrative expenses of third party payers and the premium and administrative expenses of policyholders;

(f) the financial impact of the mandated benefit on small employers, medium-sized employers, large employers and the state employees health benefit plan; and

(g) the financial impact of the mandated benefit purchasers of individual coverage, state high-risk pools and the state retirement program.

[Drafting Note: Some states must refer the report to the health department rather than the state insurance department for review.]

Section 5. {Review of Existing Mandated Benefits} *{Drafting note: This section is optional.}*

(A) In addition to the duties prescribed in this Act, the Department of Insurance shall annually review a {insert amount} percentage of existing state mandated benefits, mandated health insurance coverage, and mandated offerings of health benefits in the same manner as prescribed in Sections 2 and 3 of this Act. The Department of Insurance shall report the findings of such review to the chair(s) of the legislative committee(s), the legislative committee(s) having jurisdiction, the Speaker of the House and President of the Senate, and the state budget department, no latter than (insert date.)

(B) A {insert amount, i.e. 25%} percentage of existing mandated benefits, shall expire on July 1 of every year after the effective date of this Act unless specifically reauthorized by the legislature. Consideration of reauthorization shall be based upon the review process required under (C) of Section (4).

Section 6. {Severability clause.}

Section 7. {Repealer clause.}

Section 8. {Effective date.}

Were your laws repealed?

1995 Sourcebook of American State Legislation. Amended by the HHS Task Force in 1999 and 2002.