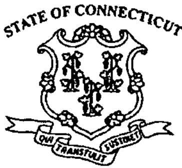

General Assembly

February Session, 2006

Raised Bill No. 409

LCO No. **2146**

Referred to Committee on

INSURANCE & REAL ESTATE

Introduced by:
(INS)

AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006*) There is established a
2 Nutmeg Health Partnership Insurance Plan. The plan shall consist of
3 the measures set forth in sections 2 to 7, inclusive, of this act and
4 sections 38a-476c of the 2006 supplement to the general statutes, 38a-
5 497, 38a-554 of the general statutes and subparagraph (B) of
6 subdivision (15) of section 38a-816 of the 2006 supplement to the
7 general statutes, as amended by this act, for the purpose of making
8 health insurance accessible and affordable for residents of this state.

9 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) Notwithstanding the
10 provisions of chapter 700c of the general statutes, the Insurance
11 Commissioner may approve any individual health insurance policy or
12 certificate which contains the minimum coverages or benefits set forth
13 in section 38a-503c and subsection (c) of section 38a-504 of the general
14 statutes in addition to those required under subsection (c) of section
15 38a-505 of the general statutes.

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LEGISLATIVE REFERENCE SECTION

16 (b) Notwithstanding the provisions of chapter 700c of the general
17 statutes, the Insurance Commissioner may approve any individual
18 health insurance policy or certificate which (1) contains the following
19 minimum coverages or benefits set forth in chapter 700c of the general
20 statutes: Subdivision (2) of subsection (b) of section 38a-476, sections
21 38a-476b, 38a-483c, 38a-489, 38a-496, 38a-498a, 38a-502, 38a-503b and
22 38a-503c and subsection (c) of section 38a-504 of the general statutes, in
23 addition to those required under subsection (c) of section 38a-505 of
24 the general statutes, and (2) offers the following minimum coverages
25 or benefits set forth in chapter 700c of the general statutes as options:
26 Sections 38a-488a, 38a-490 to 38a-490c, inclusive, 38a-491a, 38a-492 to
27 38a-493, inclusive, 38a-498, 38a-503, 38a-503d, 38a-503e, subsections (a)
28 and (b) of section 38a-504, 38a-504a to 38a-504g, inclusive, and sections
29 38a-507 to 38a-509, inclusive, of the general statutes, provided the
30 insurer, at the time of initial issuance and upon renewal, shall offer the
31 options specified in subdivision (2) of this subsection and receive the
32 acceptance or declination of the insured, in writing, which offer shall
33 include a description of the coverages or benefits and the cost
34 associated with each such coverage or benefit.

35 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) As used in this section:

36 (1) "Commissioner" means the Insurance Commissioner; and

37 (2) "Ineligible population" means (A) part-time employees, seasonal
38 employees and independent contractors who are not eligible to
39 participate in a group health insurance policy offered by an employer
40 or in any other group health insurance policy, as determined by the
41 commissioner, and (B) retired employees under the age of sixty-five
42 who are not eligible to participate in a group health insurance policy
43 offered by a former employer or in any other group health insurance
44 policy, as determined by the commissioner.

45 (b) Notwithstanding the provisions of chapter 700c of the general
46 statutes, the Insurance Commissioner may approve any group health
47 insurance policy or certificate which does not contain all the minimum

48 coverages or benefits set forth in chapter 700c of the general statutes,
49 provided such policy or certificate is approved only for issue to the
50 ineligible population in this state.

51 Sec. 4. (NEW) (*Effective October 1, 2006*) Not later than October 1,
52 2007, each health care provider licensed in this state shall submit
53 claims or request for payment to insurance companies with respect to
54 medical services and treatment rendered by such provider in electronic
55 format.

56 Sec. 5. (NEW) (*Effective October 1, 2006*) No physician licensed under
57 chapter 370 of the general statutes who does not have a contract with a
58 third party payer or who provides medical services or treatment to
59 persons who do not have health insurance coverage shall charge fees
60 for such services or treatment that exceed two hundred per cent of
61 those fees allowed by the federal Medicare program for such services
62 or treatment.

63 Sec. 6. (NEW) (*Effective October 1, 2006*) Each physician licensed
64 under chapter 370 of the general statutes and engaged in the private
65 practice of medicine in this state shall:

66 (1) Post, in public view within the waiting room in such physician's
67 office, in a conspicuous manner, a list of the twenty procedures most
68 frequently performed in such office for such physician's specialty and
69 the current charges for each such procedures;

70 (2) Provide, upon request of the patient or such patient's designee,
71 an estimate of the costs of any service or treatment to the patient or his
72 or her designee prior to the service or treatment being rendered; and

73 (3) Provide an itemized receipt to the patient or such patient's
74 designee for any payment made at such physician's office by or on
75 behalf of such patient, which shall specify the services rendered to the
76 patient and the charges for each such service.

77 Sec. 7. (NEW) (*Effective October 1, 2006*) (a) The Commissioner of

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78 Public Health and the Insurance Commissioner, in consultation with
79 licensed providers of health care, health insurance companies doing
80 business in this state and consumers designated by said
81 commissioners, shall create a physician report card which shall contain
82 data relative to generally accepted performance measures designed to
83 allow the Department of Public Health to provide consumers with
84 information on the performance of physicians and the effectiveness of
85 care provided by each physician and to permit consumers and
86 insurance companies to compare physicians by criteria concerning
87 quality.

88 (b) Each physician licensed under chapter 370 of the general statutes
89 shall furnish any information required by the Commissioner of Public
90 Health, upon the request of said commissioner, relative to performance
91 measures. Said commissioner shall publish such information and
92 comparative data on the Internet web site of the Department of Public
93 Health.

94 Sec. 8. Section 38a-476c of the 2006 supplement to the general
95 statutes is repealed and the following is substituted in lieu thereof
96 (*Effective October 1, 2006*):

97 (a) The Insurance Commissioner shall approve any health insurance
98 policy or contract, including, but not limited to, a policy or contract
99 filed by a health care center, that uses variable networks and enrollee
100 cost-sharing as set forth in subsection (b) of this section if (1) the policy
101 or contract meets the requirements of this title, (2) the policy or
102 contract form or amendment thereto filed with the commissioner is
103 accompanied by a rate filing for the policy or contract and (3) the
104 commissioner finds that the rate filing reflects a reasonable reduction
105 in premiums or fees as compared to policies or contracts that do not
106 use such variable networks and enrollee cost-sharing.

107 (b) Such policies and contracts shall be limited to policies and
108 contracts that: (1) Offer choices among provider networks of different
109 size; (2) offer different deductibles depending on the type of health

110 care facility used; [or] (3) offer prescription drug benefits that use any
111 combination of deductibles, coinsurance not to exceed thirty per cent
112 or copayments, including combinations of such deductibles,
113 coinsurance or copayments at different benefit levels; or (4) require the
114 use of a mail order pharmacy.

115 Sec. 9. Section 38a-497 of the general statutes is repealed and the
116 following is substituted in lieu thereof (*Effective October 1, 2006*):

117 [Every] Each individual health insurance policy providing coverage
118 of the type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12)
119 of section 38a-469 delivered, issued for delivery, amended or renewed
120 in this state on or after October 1, [1982] 2006, shall provide that
121 coverage of a child shall terminate no earlier than the policy
122 anniversary date on or after whichever of the following occurs first, the
123 date on which the child marries, ceases to be a dependent of the
124 policyholder [,] or attains the age of [nineteen if the child is not a full-
125 time student at an accredited institution, or attains the age of twenty-
126 three if the child is a full-time student at an accredited institution]
127 twenty-six.

128 Sec. 10. Section 38a-554 of the general statutes is repealed and the
129 following is substituted in lieu thereof (*Effective October 1, 2006*):

130 A group comprehensive health care plan shall contain the minimum
131 standard benefits prescribed in section 38a-553, as amended, and shall
132 also conform in substance to the requirements of this section.

133 (a) The plan shall be one under which the individuals eligible to be
134 covered include: (1) Each eligible employee; (2) the spouse of each
135 eligible employee, who shall be considered a dependent for the
136 purposes of this section; and (3) dependent unmarried children [,] who
137 are under the age of [nineteen or are full-time students under the age
138 of twenty-three at an accredited institution of higher learning] twenty-
139 six.

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140 (b) The plan shall provide the option to continue coverage under
141 each of the following circumstances until the individual is eligible for
142 other group insurance, except as provided in subdivisions (3) and (4)
143 of this subsection: (1) Notwithstanding any provision of this section,
144 upon layoff, reduction of hours, leave of absence, or termination of
145 employment, other than as a result of death of the employee or as a
146 result of such employee's "gross misconduct" as that term is used in 29
147 USC 1163(2), continuation of coverage for such employee and such
148 employee's covered dependents for the periods set forth for such event
149 under federal extension requirements established by the federal
150 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
151 as amended from time to time, (COBRA), except that if such reduction
152 of hours, leave of absence or termination of employment results from
153 an employee's eligibility to receive Social Security income,
154 continuation of coverage for such employee and such employee's
155 covered dependents until midnight of the day preceding such person's
156 eligibility for benefits under Title XVIII of the Social Security Act; (2)
157 upon the death of the employee, continuation of coverage for the
158 covered dependents of such employee for the periods set forth for such
159 event under federal extension requirements established by the
160 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
161 as amended from time to time, (COBRA); (3) regardless of the
162 employee's or dependent's eligibility for other group insurance, during
163 an employee's absence due to illness or injury, continuation of
164 coverage for such employee and such employee's covered dependents
165 during continuance of such illness or injury or for up to twelve months
166 from the beginning of such absence; (4) regardless of an individual's
167 eligibility for other group insurance, upon termination of the group
168 plan, coverage for covered individuals who were totally disabled on
169 the date of termination shall be continued without premium payment
170 during the continuance of such disability for a period of twelve
171 calendar months following the calendar month in which the plan was
172 terminated, provided claim is submitted for coverage within one year
173 of the termination of the plan; (5) the coverage of any covered

174 individual shall terminate: (A) As to a child, the plan shall provide the
175 option for said child to continue coverage for the longer of the
176 following periods: (i) At the end of the month following the month in
177 which the child marries, ceases to be dependent on the employee or
178 attains the age of [nineteen] twenty-six, whichever occurs first. [,
179 except that if the child is a full-time student at an accredited
180 institution, the coverage may be continued while the child remains
181 unmarried and a full-time student, but not beyond the month
182 following the month in which the child attains the age of twenty-
183 three.] If on the date specified for termination of coverage on a
184 dependent child, the child is unmarried and incapable of self-
185 sustaining employment by reason of mental or physical handicap and
186 chiefly dependent upon the employee for support and maintenance,
187 the coverage on such child shall continue while the plan remains in
188 force and the child remains in such condition, provided proof of such
189 handicap is received by the carrier within thirty-one days of the date
190 on which the child's coverage would have terminated in the absence of
191 such incapacity. The carrier may require subsequent proof of the
192 child's continued incapacity and dependency but not more often than
193 once a year thereafter, or (ii) for the periods set forth for such child
194 under federal extension requirements established by the Consolidated
195 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
196 from time to time, (COBRA); (B) as to the employee's spouse, at the
197 end of the month following the month in which a divorce, court-
198 ordered annulment or legal separation is obtained, whichever is
199 earlier, except that the plan shall provide the option for said spouse to
200 continue coverage for the periods set forth for such events under
201 federal extension requirements established by the Consolidated
202 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
203 from time to time, (COBRA); and (C) as to the employee or dependent
204 who is sixty-five years of age or older, as of midnight of the day
205 preceding such person's eligibility for benefits under Title XVIII of the
206 federal Social Security Act; (6) as to any other event listed as a
207 "qualifying event" in 29 USC 1163, as amended from time to time,

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208 continuation of coverage for such periods set forth for such event in 29
209 USC 1162, as amended from time to time, provided such plan may
210 require the individual whose coverage is to be continued to pay up to
211 the percentage of the applicable premium as specified for such event in
212 29 USC 1162, as amended from time to time. Any continuation of
213 coverage required by this section except subdivision (4) or (6) of this
214 subsection may be subject to the requirement, on the part of the
215 individual whose coverage is to be continued, that such individual
216 contribute that portion of the premium the individual would have
217 been required to contribute had the employee remained an active
218 covered employee, except that the individual may be required to pay
219 up to one hundred two per cent of the entire premium at the group
220 rate if coverage is continued in accordance with subdivision (1), (2) or
221 (5) of this subsection. The employer shall not be legally obligated by
222 sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive, as
223 amended, to pay such premium if not paid timely by the employee.

224 (c) The commissioner shall adopt regulations, in accordance with
225 chapter 54, concerning coordination of benefits between the plan and
226 other health insurance plans.

227 (d) The plan shall make available to Connecticut residents, in
228 addition to any other conversion privilege available, a conversion
229 privilege under which coverage shall be available immediately upon
230 termination of coverage under the group plan. The terms and benefits
231 offered under the conversion benefits shall be at least equal to the
232 terms and benefits of an individual comprehensive health care plan.

233 Sec. 11. Subparagraph (B) of subdivision (15) of section 38a-816 of
234 the 2006 supplement to the general statutes is repealed and the
235 following is substituted in lieu thereof (*Effective October 1, 2006*):

236 (B) Each insurer, or other entity responsible for providing payment
237 to a health care provider pursuant to an insurance policy subject to this
238 section, shall pay claims not later than forty-five days after receipt by
239 the insurer of the claimant's proof of loss form or the health care

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240 provider's request for payment filed in accordance with the insurer's
241 practices or procedures provided such request is in electronic format,
242 except that when there is a deficiency in the information needed for
243 processing a claim, as determined in accordance with section 38a-477,
244 the insurer shall (i) send written notice to the claimant or health care
245 provider, as the case may be, of all alleged deficiencies in information
246 needed for processing a claim not later than thirty days after the
247 insurer receives a claim for payment or reimbursement under the
248 contract, and (ii) pay claims for payment or reimbursement under the
249 contract not later than thirty days after the insurer receives the
250 information requested.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2006*	New section
Sec. 2	*October 1, 2006*	New section
Sec. 3	*July 1, 2006*	New section
Sec. 4	*October 1, 2006*	New section
Sec. 5	*October 1, 2006*	New section
Sec. 6	*October 1, 2006*	New section
Sec. 7	*October 1, 2006*	New section
Sec. 8	*October 1, 2006*	38a-476c
Sec. 9	*October 1, 2006*	38a-497
Sec. 10	*October 1, 2006*	38a-554
Sec. 11	*October 1, 2006*	38a-816(15)(B)

Statement of Purpose:
To establish the Nutmeg Health Partnership Insurance Plan for the purpose of making health insurance accessible and affordable for residents of this state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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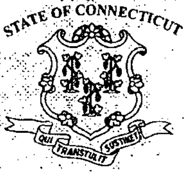

Senate

General Assembly

File No. 34

February Session, 2006

Substitute Senate Bill No. 409

Senate, March 20, 2006

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006*) There is established a
2 Nutmeg Health Partnership Insurance Plan. The plan shall consist of
3 the measures set forth in sections 2 and 3 of this act and sections 38a-
4 497 and 38a-554 of the general statutes, as amended by this act, for the
5 purpose of making health insurance accessible and affordable for
6 residents of this state.

7 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) Notwithstanding the
8 provisions of chapter 700c of the general statutes, the Insurance
9 Commissioner may approve any individual health insurance policy or
10 certificate which contains the minimum coverages or benefits set forth
11 in section 38a-503c and subsection (c) of section 38a-504 of the general
12 statutes in addition to those required under subsection (c) of section
13 38a-505 of the general statutes.

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14 (b) Notwithstanding the provisions of chapter 700c of the general
15 statutes, the Insurance Commissioner may approve any individual
16 health insurance policy or certificate which (1) contains the following
17 minimum coverages or benefits set forth in chapter 700c of the general
18 statutes: Subdivision (2) of subsection (b) of section 38a-476, sections
19 38a-476b, 38a-483c, 38a-489, 38a-496, 38a-498a, 38a-502, 38a-503b and
20 38a-503c and subsection (c) of section 38a-504 of the general statutes, in
21 addition to those required under subsection (c) of section 38a-505 of
22 the general statutes, and (2) offers the following minimum coverages
23 or benefits set forth in chapter 700c of the general statutes as options:
24 Sections 38a-488a, 38a-490 to 38a-490c, inclusive, 38a-491a, 38a-492 to
25 38a-493, inclusive, 38a-498, 38a-503, 38a-503d, 38a-503e, subsections (a)
26 and (b) of section 38a-504, 38a-504a to 38a-504g, inclusive, and sections
27 38a-507 to 38a-509, inclusive, of the general statutes, provided the
28 insurer, at the time of initial issuance and upon renewal, shall offer the
29 options specified in subdivision (2) of this subsection and receive the
30 acceptance or declination of the insured, in writing, which offer shall
31 include a description of the coverages or benefits and the cost
32 associated with each such coverage or benefit.

33 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) As used in this section:

34 (1) "Commissioner" means the Insurance Commissioner; and

35 (2) "Ineligible population" means (A) part-time employees, seasonal
36 employees and independent contractors who are not eligible to
37 participate in a group health insurance policy offered by an employer
38 or in any other group health insurance policy, as determined by the
39 commissioner, and (B) retired employees under the age of sixty-five
40 who are not eligible to participate in a group health insurance policy
41 offered by a former employer or in any other group health insurance
42 policy, as determined by the commissioner.

43 (b) Notwithstanding the provisions of chapter 700c of the general
44 statutes, the Insurance Commissioner may approve any group health
45 insurance policy or certificate which does not contain all the minimum
46 coverages or benefits set forth in chapter 700c of the general statutes,

[106]

47 provided such policy or certificate is approved only for issue to the
48 ineligible population in this state.

49 Sec. 4. Section 38a-497 of the general statutes is repealed and the
50 following is substituted in lieu thereof (*Effective October 1, 2006*):

51 [Every] Each individual health insurance policy providing coverage
52 of the type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12)
53 of section 38a-469 delivered, issued for delivery, amended or renewed
54 in this state on or after October 1, [1982] 2006, shall provide that
55 coverage of a child shall terminate no earlier than the policy
56 anniversary date on or after whichever of the following occurs first, the
57 date on which the child marries, ceases to be a dependent of the
58 policyholder [,] or attains the age of [nineteen if the child is not a full-
59 time student at an accredited institution, or attains the age of twenty-
60 three if the child is a full-time student at an accredited institution]
61 twenty-six.

62 Sec. 5. Section 38a-554 of the general statutes is repealed and the
63 following is substituted in lieu thereof (*Effective October 1, 2006*):

64 A group comprehensive health care plan shall contain the minimum
65 standard benefits prescribed in section 38a-553, as amended, and shall
66 also conform in substance to the requirements of this section.

67 (a) The plan shall be one under which the individuals eligible to be
68 covered include: (1) Each eligible employee; (2) the spouse of each
69 eligible employee, who shall be considered a dependent for the
70 purposes of this section; and (3) dependent unmarried children [,] who
71 are under the age of [nineteen or are full-time students under the age
72 of twenty-three at an accredited institution of higher learning] twenty-
73 six.

74 (b) The plan shall provide the option to continue coverage under
75 each of the following circumstances until the individual is eligible for
76 other group insurance, except as provided in subdivisions (3) and (4)
77 of this subsection: (1) Notwithstanding any provision of this section,

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78 upon layoff, reduction of hours, leave of absence, or termination of
79 employment, other than as a result of death of the employee or as a
80 result of such employee's "gross misconduct" as that term is used in 29
81 USC 1163(2), continuation of coverage for such employee and such
82 employee's covered dependents for the periods set forth for such event
83 under federal extension requirements established by the federal
84 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
85 as amended from time to time, (COBRA), except that if such reduction
86 of hours, leave of absence or termination of employment results from
87 an employee's eligibility to receive Social Security income,
88 continuation of coverage for such employee and such employee's
89 covered dependents until midnight of the day preceding such person's
90 eligibility for benefits under Title XVIII of the Social Security Act; (2)
91 upon the death of the employee, continuation of coverage for the
92 covered dependents of such employee for the periods set forth for such
93 event under federal extension requirements established by the
94 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
95 as amended from time to time, (COBRA); (3) regardless of the
96 employee's or dependent's eligibility for other group insurance, during
97 an employee's absence due to illness or injury, continuation of
98 coverage for such employee and such employee's covered dependents
99 during continuance of such illness or injury or for up to twelve months
100 from the beginning of such absence; (4) regardless of an individual's
101 eligibility for other group insurance, upon termination of the group
102 plan, coverage for covered individuals who were totally disabled on
103 the date of termination shall be continued without premium payment
104 during the continuance of such disability for a period of twelve
105 calendar months following the calendar month in which the plan was
106 terminated, provided claim is submitted for coverage within one year
107 of the termination of the plan; (5) the coverage of any covered
108 individual shall terminate: (A) As to a child, the plan shall provide the
109 option for said child to continue coverage for the longer of the
110 following periods: (i) At the end of the month following the month in
111 which the child marries, ceases to be dependent on the employee or
112 attains the age of [nineteen] <u>twenty-six</u>, whichever occurs first<u>.</u> [,

[7067]

113 except that if the child is a full-time student at an accredited
114 institution, the coverage may be continued while the child remains
115 unmarried and a full-time student, but not beyond the month
116 following the month in which the child attains the age of twenty-
117 three.] If on the date specified for termination of coverage on a
118 dependent child, the child is unmarried and incapable of self-
119 sustaining employment by reason of mental or physical handicap and
120 chiefly dependent upon the employee for support and maintenance,
121 the coverage on such child shall continue while the plan remains in
122 force and the child remains in such condition, provided proof of such
123 handicap is received by the carrier within thirty-one days of the date
124 on which the child's coverage would have terminated in the absence of
125 such incapacity. The carrier may require subsequent proof of the
126 child's continued incapacity and dependency but not more often than
127 once a year thereafter, or (ii) for the periods set forth for such child
128 under federal extension requirements established by the Consolidated
129 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
130 from time to time, (COBRA); (B) as to the employee's spouse, at the
131 end of the month following the month in which a divorce, court-
132 ordered annulment or legal separation is obtained, whichever is
133 earlier, except that the plan shall provide the option for said spouse to
134 continue coverage for the periods set forth for such events under
135 federal extension requirements established by the Consolidated
136 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
137 from time to time, (COBRA); and (C) as to the employee or dependent
138 who is sixty-five years of age or older, as of midnight of the day
139 preceding such person's eligibility for benefits under Title XVIII of the
140 federal Social Security Act; (6) as to any other event listed as a
141 "qualifying event" in 29 USC 1163, as amended from time to time,
142 continuation of coverage for such periods set forth for such event in 29
143 USC 1162, as amended from time to time, provided such plan may
144 require the individual whose coverage is to be continued to pay up to
145 the percentage of the applicable premium as specified for such event in
146 29 USC 1162, as amended from time to time. Any continuation of
147 coverage required by this section except subdivision (4) or (6) of this

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148 subsection may be subject to the requirement, on the part of the
149 individual whose coverage is to be continued, that such individual
150 contribute that portion of the premium the individual would have
151 been required to contribute had the employee remained an active
152 covered employee, except that the individual may be required to pay
153 up to one hundred two per cent of the entire premium at the group
154 rate if coverage is continued in accordance with subdivision (1), (2) or
155 (5) of this subsection. The employer shall not be legally obligated by
156 sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive, as
157 amended, to pay such premium if not paid timely by the employee.

158 (c) The commissioner shall adopt regulations, in accordance with
159 chapter 54, concerning coordination of benefits between the plan and
160 other health insurance plans.

161 (d) The plan shall make available to Connecticut residents, in
162 addition to any other conversion privilege available, a conversion
163 privilege under which coverage shall be available immediately upon
164 termination of coverage under the group plan. The terms and benefits
165 offered under the conversion benefits shall be at least equal to the
166 terms and benefits of an individual comprehensive health care plan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2006*	New section
Sec. 2	*October 1, 2006*	New section
Sec. 3	*July 1, 2006*	New section
Sec. 4	*October 1, 2006*	38a-497
Sec. 5	*October 1, 2006*	38a-554

INS *Joint Favorable Subst.*

[1067]

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 $	FY 08 $
State Comptroller - Fringe Benefits	Various - Cost	None	Indeterminate
Insurance Dept.	IF - None	None	None

Note: IF=Insurance Fund

Municipal Impact:

Municipalities	Effect	FY 07 $	FY 08 $
Various Municipalities	Cost	Potential Indeterminate	Potential Indeterminate

Explanation

The bill by requiring insurance policies that cover dependent children to provide coverage until the age of 26 will result in increased health service costs to the state as an employer, beginning in FY 08. Under the bill, certain employees will maintain the more costly family coverage for longer than currently permitted. Data related to coverage of adult children to age 26 is not readily available, so an exact cost estimate cannot be determined at this time.

The bill's impact on municipal health insurance costs will vary based on existing municipal coverage. To the extent that the dependent coverage required under the bill is not currently provided under a municipality's employee health insurance policy, there would be increased costs to provide it that cannot be determined.

The bill could affect the workload of the Department of Insurance but is not anticipated to result in the need for additional resources.

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The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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OLR Bill Analysis
sSB 409

AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN.

SUMMARY:

This bill establishes the Nutmeg Health Partnership Insurance Plan through which the insurance commissioner can approve health insurance policies or certificates that do not contain all the benefits currently mandated for (1) independent contractors and employees not eligible for an employer's group health insurance policy and (2) individuals. (There are two versions of individual plans that she may approve.) It also requires insurance policies that cover dependent children to provide coverage until the child turns age 26, instead of age 19 or, if a full-time student, age 23.

EFFECTIVE DATE: July 1, 2006, except for the individual policy and dependent age provisions, which are effective October 1, 2006.

GROUP HEALTH INSURANCE

Ineligible Population

The bill permits the insurance commissioner to approve group health insurance policies and certificates for Connecticut's ineligible population that do not comply with state benefit mandates. "Ineligible population" means (1) part-time and seasonal employees and independent contractors who are not eligible for an employer-sponsored or other group health insurance policy and (2) retired employees age 64 or younger who are not eligible for a former employer's or other group health insurance policy.

INDIVIDUAL HEALTH INSURANCE

Individual Policy with Minimum Coverage

STATE LIBRARY
LEGISLATIVE REFERENCE
SECTION

The bill permits the insurance commissioner to approve individual health insurance policies and certificates that do not comply with the current mandated benefits but that, instead, cover (1) breast reconstruction after a mastectomy, (2) coverage for a minimum length of hospital stay for mother and newborn after delivery, and (3) minimum benefits she determines in regulations for hospital, medical-surgical, major medical, disability income, accident only, and specified accident coverage. (Breast reconstruction and maternity hospital stay benefits are based on federal law requirements.)

Individual Policy with Minimum Coverage and Optional Benefits

The bill permits the commissioner to approve individual health insurance policies and certificates that (1) cover minimum benefits she determines in regulation for hospital, medical-surgical, major medical, disability income, accident only, and specified accident coverage; (2) include some current state mandates; and (3) offer other benefits currently mandated as optional benefits. The insurer must, when first issuing a policy and at each renewal, (1) offer the optional benefits, (2) describe each benefit and its associated cost for the insured, and (3) obtain the insured's acceptance or refusal of each benefit in writing.

The mandated provisions that have to be included in a reduced mandate policy are:

1. preexisting benefit exclusion limitation of no more than 12 months,
2. no limit on access to the most effective psychotropic drugs under mental health benefits,
3. coverage for experimental treatments that have completed a Phase III FDA clinical trial,
4. coverage for a handicapped dependent child following the normal coverage termination date for children,
5. coverage for occupational therapy if physical therapy is

[706]

covered,

6. no preauthorization requirement for 9-1-1 calls,
7. coverage for services provided by the Veteran's Home and Hospital,
8. direct access to an obstetrician-gynecologist,
9. breast reconstruction after a mastectomy, and
10. coverage for a minimum length of hospital stay for mother and newborn after delivery.

The covered benefits that are currently mandatory but, under the bill, must instead be offered as optional are:

1. mental health benefits subject to the same terms as physical health conditions ("parity");
2. newborns from birth and adopted children from legal placement;
3. early childhood intervention services ("birth-to-three");
4. hearing aids for children under age 13;
5. craniofacial disorder treatment for children under age 18;
6. anesthesia and related hospital services for dental services;
7. emergency medical care for the accidental ingestion or consumption of controlled drugs;
8. hypodermic needles and syringes prescribed for administering medication;
9. off-label cancer drugs (a drug recognized for treating a specific type of cancer but prescribed for another);
10. modified food products for the treatment of inherited metabolic

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LEGISLATIVE REFERENCE
SECTION

diseases and cystic fibrosis, including specialized formula for children up to age 8;

11. diabetic testing, self-management training, equipment, drugs, and supplies;
12. prescription drugs removed from a drug formulary list if the patient was using it for chronic disease treatment;
13. prostate cancer screening for men who have symptoms or family history or are over age 50;
14. Lyme disease treatment;
15. pain treatment ordered by a pain management specialist;
16. ostomy-related appliances and supplies (if the policy covers ostomy surgery);
17. colorectal cancer screening;
18. home health care;
19. medically necessary ambulance service;
20. mammograms;
21. minimum length of hospital stay following a mastectomy;
22. contraceptives (if the policy covers prescription drugs);
23. chiropractic services;
24. treatment for leukemia and tumors, including outpatient chemotherapy, reconstructive surgery, and non-dental prosthesis;
25. wigs for chemotherapy patients;
26. cancer clinical trials;

[handwritten: 0067]

27. breast cancer screening by ultrasound; and

28. infertility testing and treatment.

DEPENDENT AGE

The bill requires insurance policies that cover dependent unmarried children to cover a child until he turns age 26. Current law requires the coverage until he turns age 19, or, if he is a full-time student at an accredited institution, age 23. The dependent age provision applies to:

1. individual health insurance policies that cover basic hospital expenses, basic medical-surgical expenses, major medical expenses, accidents only, limited benefits, and hospital or medical services, including those provided by HMOs, and

2. group comprehensive health care plans, including coverage continued after an employee's layoff, reduction of hours, leave of absence, or termination.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute
Yea 13 Nay 2 (03/09/2006)

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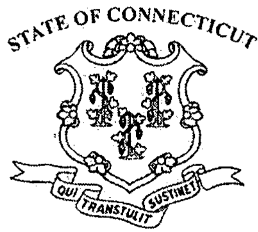
LEGISLATIVE REFERENCE
SECTION



General Assembly

(SENATE) **Amendment**

February Session, 2006

LCO No. **3687**

•SB00409003687SR0•

Offered by:
SEN. DELUCA, 32nd Dist.

To: Subst. Senate Bill No. **409** File No. 34 Cal. No. 79

"AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN."

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1 In line 3, strike "and sections 38a-"

2 In line 4, strike "497 and 38a-554 of the general statutes, as amended
3 by this act,"

4 Strike sections 4 and 5 in their entirety

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SENATE AMENDMENT

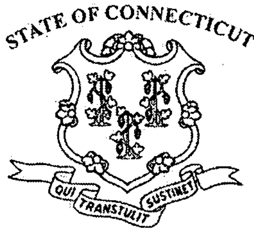
Calendar: 79

LCO: 3687

Bill: 409

ADOPTED voice ☐ REJECTED voice ☐

ADOPTED roll ☐ REJECTED roll ☐



General Assembly

(SENATE) **Amendment**

February Session, 2006

LCO No. **4210**

Offered by:
SEN. CRISCO, 17th Dist.
REP. O'CONNOR, 35th Dist.

To: Subst. Senate Bill No. **409** File No. 34 Cal. No. 79

"AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN."

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1 In lines 61 and 112, strike "twenty-six" and substitute "twenty-three"
2 in lieu thereof

3 In line 73, strike "six" and substitute "three" in lieu thereof

CONNECTICUT STATE LIBRARY
LAW/LEGISLATIVE REFERENCE UNIT

SENATE AMENDMENT

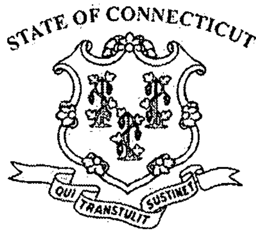
Calendar: 79

LCO: 4210

Bill: 409

ADOPTED voice ☐ REJECTED voice ☐

ADOPTED roll ☐ REJECTED roll ☐



General Assembly

[SENATE] **Amendment**

February Session, 2006

LCO No. **4212**

SB00409042 12SDO

Offered by:
SEN. CRISCO, 17th Dist.
REP. O'CONNOR, 35th Dist.

To: Subst. Senate Bill No. **409** File No. 34 Cal. No. 79

"AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN."

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1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (*Effective from passage*) Not later than January 1, 2009, the
4 joint standing committee of the General Assembly having cognizance
5 of matters relating to insurance shall develop a plan to require all
6 individuals in this state who are not eligible for Medicare or Medicaid
7 to purchase health insurance."

CONNECTICUT STATE LIBRARY
LAW/LEGISLATIVE REFERENCE UNIT

SENATE AMENDMENT

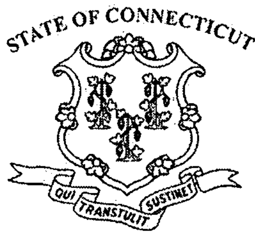
Calendar: 79

LCO: 4212

Bill: 409

ADOPTED voice ☐ REJECTED voice ☒

ADOPTED roll ☐ REJECTED roll ☒



General Assembly [SENATE] **Amendment**

February Session, 2006 LCO No. **4446**

SB0040904446SDO

Offered by:
SEN. CRISCO, 17th Dist.
REP. O'CONNOR, 35th Dist.

To: Subst. Senate Bill No. **409** File No. 34 Cal. No. 79

"AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP INSURANCE PLAN."

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1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2006*) There is established a
4 Nutmeg Health Partnership Insurance Plan. The plan shall consist of
5 the measures set forth in section 2 of this act, sections 38a-472d and
6 38a-476c of the 2006 supplement to the general statutes and sections
7 38a-497 and 38a-554 of the general statutes, as amended by this act, for
8 the purpose of making health insurance accessible and affordable for
9 residents of this state.

10 Sec. 2. (*Effective from passage*) Not later than January 1, 2009, the joint
11 standing committee of the General Assembly having cognizance of
12 matters relating to insurance shall develop a plan to require all
13 individuals in this state who are not eligible for Medicare or Medicaid
14 to purchase health insurance.

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15 Sec. 3. Section 38a-497 of the general statutes is repealed and the
16 following is substituted in lieu thereof (*Effective October 1, 2006*):

17 [Every] Each individual health insurance policy providing coverage
18 of the type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12)
19 of section 38a-469 delivered, issued for delivery, amended or renewed
20 in this state on or after October 1, [1982] 2006, shall provide that
21 coverage of a child shall terminate no earlier than the policy
22 anniversary date on or after whichever of the following occurs first, the
23 date on which the child marries, ceases to be a dependent of the
24 policyholder [,] or attains the age of [nineteen if the child is not a full-
25 time student at an accredited institution, or attains the age of twenty-
26 three if the child is a full-time student at an accredited institution]
27 twenty-three.

28 Sec. 4. Section 38a-554 of the general statutes is repealed and the
29 following is substituted in lieu thereof (*Effective October 1, 2006*):

30 A group comprehensive health care plan shall contain the minimum
31 standard benefits prescribed in section 38a-553, as amended, and shall
32 also conform in substance to the requirements of this section.

33 (a) The plan shall be one under which the individuals eligible to be
34 covered include: (1) Each eligible employee; (2) the spouse of each
35 eligible employee, who shall be considered a dependent for the
36 purposes of this section; and (3) dependent unmarried children [,] who
37 are under the age of [nineteen or are full-time students under the age
38 of twenty-three at an accredited institution of higher learning] twenty-
39 three.

40 (b) The plan shall provide the option to continue coverage under
41 each of the following circumstances until the individual is eligible for
42 other group insurance, except as provided in subdivisions (3) and (4)
43 of this subsection: (1) Notwithstanding any provision of this section,
44 upon layoff, reduction of hours, leave of absence, or termination of
45 employment, other than as a result of death of the employee or as a
46 result of such employee's "gross misconduct" as that term is used in 29

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47 USC 1163(2), continuation of coverage for such employee and such
48 employee's covered dependents for the periods set forth for such event
49 under federal extension requirements established by the federal
50 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
51 as amended from time to time, (COBRA), except that if such reduction
52 of hours, leave of absence or termination of employment results from
53 an employee's eligibility to receive Social Security income,
54 continuation of coverage for such employee and such employee's
55 covered dependents until midnight of the day preceding such person's
56 eligibility for benefits under Title XVIII of the Social Security Act;. (2)
57 upon the death of the employee, continuation of coverage for the
58 covered dependents of such employee for the periods set forth for such
59 event under federal extension requirements established by the
60 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
61 as amended from time to time, (COBRA); (3) regardless of the
62 employee's or dependent's eligibility for other group insurance, during
63 an employee's absence due to illness or injury, continuation of
64 coverage for such employee and such employee's covered dependents
65 during continuance of such illness or injury or for up to twelve months
66 from the beginning of such absence; (4) regardless of an individual's
67 eligibility for other group insurance, upon termination of the group
68 plan, coverage for covered individuals who were totally disabled on
69 the date of termination shall be continued without premium payment
70 during the continuance of such disability for a period of twelve
71 calendar months following the calendar month in which the plan was
72 terminated, provided claim is submitted for coverage within one year
73 of the termination of the plan; (5) the coverage of any covered
74 individual shall terminate: (A) As to a child, the plan shall provide the
75 option for said child to continue coverage for the longer of the
76 following periods: (i) At the end of the month following the month in
77 which the child marries, ceases to be dependent on the employee or
78 attains the age of [nineteen] twenty-three, whichever occurs first. [,
79 except that if the child is a full-time student at an accredited
80 institution, the coverage may be continued while the child remains
81 unmarried and a full-time student, but not beyond the month

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LAW/LEGISLATIVE REFERENCE UNIT

82 following the month in which the child attains the age of twenty-
83 three.] If on the date specified for termination of coverage on a
84 dependent child, the child is unmarried and incapable of self-
85 sustaining employment by reason of mental or physical handicap and
86 chiefly dependent upon the employee for support and maintenance,
87 the coverage on such child shall continue while the plan remains in
88 force and the child remains in such condition, provided proof of such
89 handicap is received by the carrier within thirty-one days of the date
90 on which the child's coverage would have terminated in the absence of
91 such incapacity. The carrier may require subsequent proof of the
92 child's continued incapacity and dependency but not more often than
93 once a year thereafter, or (ii) for the periods set forth for such child
94 under federal extension requirements established by the Consolidated
95 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
96 from time to time, (COBRA); (B) as to the employee's spouse, at the
97 end of the month following the month in which a divorce, court-
98 ordered annulment or legal separation is obtained, whichever is
99 earlier, except that the plan shall provide the option for said spouse to
100 continue coverage for the periods set forth for such events under
101 federal extension requirements established by the Consolidated
102 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
103 from time to time, (COBRA); and (C) as to the employee or dependent
104 who is sixty-five years of age or older, as of midnight of the day
105 preceding such person's eligibility for benefits under Title XVIII of the
106 federal Social Security Act; (6) as to any other event listed as a
107 "qualifying event" in 29 USC 1163, as amended from time to time,
108 continuation of coverage for such periods set forth for such event in 29
109 USC 1162, as amended from time to time, provided such plan may
110 require the individual whose coverage is to be continued to pay up to
111 the percentage of the applicable premium as specified for such event in
112 29 USC 1162, as amended from time to time. Any continuation of
113 coverage required by this section except subdivision (4) or (6) of this
114 subsection may be subject to the requirement, on the part of the
115 individual whose coverage is to be continued, that such individual
116 contribute that portion of the premium the individual would have

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117 been required to contribute had the employee remained an active
118 covered employee, except that the individual may be required to pay
119 up to one hundred two per cent of the entire premium at the group
120 rate if coverage is continued in accordance with subdivision (1), (2) or
121 (5) of this subsection. The employer shall not be legally obligated by
122 sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive, as
123 amended, to pay such premium if not paid timely by the employee.

124 (c) The commissioner shall adopt regulations, in accordance with
125 chapter 54, concerning coordination of benefits between the plan and
126 other health insurance plans.

127 (d) The plan shall make available to Connecticut residents, in
128 addition to any other conversion privilege available, a conversion
129 privilege under which coverage shall be available immediately upon
130 termination of coverage under the group plan. The terms and benefits
131 offered under the conversion benefits shall be at least equal to the
132 terms and benefits of an individual comprehensive health care plan."

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2006*	New section
Sec. 2	*from passage*	New section
Sec. 3	*October 1, 2006*	38a-497
Sec. 4	*October 1, 2006*	38a-554

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SENATE AMENDMENT

Calendar: 79

LCO: 4446

Bill: 409

ADOPTED voice ☐ REJECTED voice ☐

ADOPTED roll ☐ REJECTED roll ☐