



Senate

General Assembly

File No. 683

January Session, 2001

Substitute Senate Bill No. 951

Senate, May 8, 2001

The Committee on Appropriations 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 CONCERNING THE RESPONSIBILITIES OF MANAGED CARE ORGANIZATIONS PROVIDING SERVICES UNDER THE HUSKY PLAN FOR VENDOR PERFORMANCE.

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

1 Section 17b-296 of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) Each managed care plan shall include sufficient numbers of
4 appropriately trained and certified clinicians of pediatric care,
5 including primary, medical subspecialty and surgical specialty
6 physicians, as well as providers of necessary related services such as
7 dental services, mental health services, social work services,
8 developmental evaluation services, occupational therapy services,
9 physical therapy services, speech therapy and language services,
10 school-linked clinic services and other public health services to assure
11 enrollees the option of obtaining benefits through such providers.

12 (b) Each managed care organization that provides a managed care

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: See Explanation Below

Affected Agencies: Department of Social Services

Municipal Impact: None

Explanation

State Impact:

This bill requires managed care organizations that contract with the Department of Social Services to have primary responsibility for the performance of their vendors. This is not expected to result in any fiscal impact to the state.

The bill also requires the department to establish a contingency fund to ensure payment to managed care providers in a timely manner. This fund is to be established within available appropriations. The Appropriations Act, sHB 6668 (as favorably approved by the Appropriations Committee) includes no funding for this contingency fund.

OLR Bill Analysis

sSB 951

AN ACT CONCERNING THE RESPONSIBILITIES OF MANAGED CARE ORGANIZATIONS PROVIDING SERVICES UNDER THE HUSKY PLAN FOR VENDOR PERFORMANCE.**SUMMARY:**

This bill makes each managed care organization (MCO) that provides health care plans or other services under the HUSKY Children's Health Insurance programs accountable for its vendors (e.g., behavioral health subcontractors) following the terms of the MCO's contract with the Department of Social Services (DSS), including requirements for promptly paying providers and paying interest on late payments (those not paid within 45 days). It requires an MCO to pay all unpaid provider claims (apparently its own and any of its vendors') before DSS approves a contract with a new vendor.

The bill requires DSS, within its available appropriations, to set up a contingency fund to make sure providers are paid if an MCO fails to pay its vendor's unpaid claims in a timely manner. It requires DSS to deduct from its future capitation payments to the MCO any amount it pays from the fund to providers, including interest and penalties on late payments.

EFFECTIVE DATE: October 1, 2001

BACKGROUND***Related Law***

Health insurers must pay claims within 45 days after receiving a provider's payment request unless the request provides incomplete information. In these cases it must send written notice within 30 days describing the alleged deficiencies. After the deficiency is corrected, it has 30 days to pay the claim. If it does not pay within this time, it must pay 15% annualized interest on the claim. Failure to pay the claim on

time is an unfair insurance practice, which subjects the insurer to monetary and other penalties.

Related Bill

sSB 694 (File 313) specifies that "health care provider," for purposes of prompt claims payments, includes physicians and surgeons, chiropractors, naturopaths, podiatrists, athletic trainers, physical therapists, occupational therapists, alcohol and drug counselors, radiographers and radiologic technicians, midwives, nurses, nurse's aides, dentists, dental hygienists, optometrists, opticians, respiratory care practitioners, pharmacists, psychologists, marital and family therapists, clinical social workers, massage therapists, dietician-nutritionists, and acupuncturists. It also extends the term to include licensed health care institutions such as hospitals, residential care homes, health care facilities for the handicapped, nursing homes, home health care agencies, homemaker-home health aide agencies, mental health facilities, substance abuse treatment facilities, student infirmaries, facilities providing services for the prevention, diagnosis and treatment of human health conditions, and residential facilities for the mentally retarded and certified by Medicaid as intermediate care facilities for the mentally retarded.

SB 1278 (File 157) requires all MCOs participating in Medicaid Managed care and using subcontractors to provide services to report certain financial information to DSS and the Medicaid Managed Care Council. It also requires subcontractors, for each category of services they provide, to offer the full extent of health services the MCO is responsible for providing.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute Change of Reference
Yea 24 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 51 Nay 0