



General Assembly

January Session, 2001

Raised Bill No. 6729

LCO No. 3519

Referred to Committee on Public Health

Introduced by:
(PH)

***AN ACT ESTABLISHING STANDARDS OF FAIRNESS IN CONTRACTS
BETWEEN MANAGED CARE ORGANIZATIONS AND PHYSICIANS.***

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

1 Subdivision (15) of section 38a-816 of the general statutes is repealed
2 and the following is substituted in lieu thereof:

3 (15) (A) Failure to pay accident and health claims, including, but not
4 limited to, claims for payment or reimbursement to health care
5 providers, within the time periods set forth in subparagraph (B) of this
6 subdivision, unless the Insurance Commissioner determines that a
7 legitimate dispute exists as to coverage, liability or damages or that the
8 claimant has fraudulently caused or contributed to the loss. Any
9 insurer, or any health care entity responsible to pay such claims or
10 make such reimbursements pursuant to an agreement or other
11 arrangement with an insurer, who fails to pay such a claim or request
12 within the time periods set forth in subparagraph (B) of this
13 subdivision shall pay the claimant or health care provider the amount
14 of such claim plus interest at the rate of fifteen per cent per annum, in
15 addition to any other penalties which may be imposed pursuant to
16 sections 38a-11, 38a-25, 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60,
17 inclusive, 38a-62 to 38a-64, inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to

18 38a-124, inclusive, 38a-129 to 38a-140, inclusive, 38a-146 to 38a-155,
19 inclusive, 38a-283, 38a-288 to 38a-290, inclusive, 38a-319, 38a-320, 38a-
20 459, 38a-464, 38a-815 to 38a-819, inclusive, 38a-824 to 38a-826,
21 inclusive, and 38a-828 to 38a-830, inclusive. Whenever the interest due
22 a claimant or health care provider pursuant to this section is less than
23 one dollar, the insurer or such entity shall deposit such amount in a
24 separate interest-bearing account in which all such amounts shall be
25 deposited. At the end of each calendar year each such insurer or entity
26 shall donate such amount to The University of Connecticut Health
27 Center.

28 (B) Each insurer, and each health care entity responsible to pay
29 claims or make reimbursements pursuant to an agreement or other
30 arrangement with an insurer, shall pay claims not later than forty-five
31 days after receipt by the insurer or such entity of the claimant's proof
32 of loss form or the health care provider's request for payment filed in
33 accordance with the insurer's or such entity's practices or procedures,
34 except that when there is a deficiency in the information needed for
35 processing a claim, the insurer or such entity shall (i) send written
36 notice to the claimant or health care provider, as the case may be, of all
37 alleged deficiencies in information needed for processing a claim not
38 later than thirty days after the insurer or such entity receives a claim
39 for payment or reimbursement under the contract, and (ii) pay claims
40 for payment or reimbursement under the contract not later than thirty
41 days after the insurer or such entity receives the information
42 requested.

Statement of Purpose:

To protect specialty care by extending the obligation to pay insurance claims in a timely manner to HMO "carve out" entities.

[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.]