



General Assembly

**Substitute Bill No. 6729**

January Session, 2001

**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1 Subdivision (15) of section 38a-816 of the general statutes is repealed  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 by an insurer, or any other entity responsible for  
4 providing payment to a health care provider pursuant to an insurance  
5 policy, to pay accident and health claims, including, but not limited to,  
6 claims for payment or reimbursement to health care providers, within  
7 the time periods set forth in subparagraph (B) of this subdivision,  
8 unless the Insurance Commissioner determines that a legitimate  
9 dispute exists as to coverage, liability or damages or that the claimant  
10 has fraudulently caused or contributed to the loss. Any insurer, or any  
11 other entity responsible for providing payment to a health care  
12 provider pursuant to an insurance policy, who fails to pay such a claim  
13 or request within the time periods set forth in subparagraph (B) of this  
14 subdivision shall pay the claimant or health care provider the amount  
15 of such claim plus interest at the rate of fifteen per cent per annum, in  
16 addition to any other penalties which may be imposed pursuant to  
17 sections 38a-11, 38a-25, 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60,  
18 inclusive, 38a-62 to 38a-64, inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to  
19 38a-124, inclusive, 38a-129 to 38a-140, inclusive, 38a-146 to 38a-155,  
20 inclusive, 38a-283, 38a-288 to 38a-290, inclusive, 38a-319, 38a-320, 38a-

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

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

**PH** JOINT FAVORABLE SUBST.

**INS** JOINT FAVORABLE