



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1 Subdivision (15) of section 38a-816 of the general statutes is repealed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

JUD JOINT FAVORABLE