



General Assembly

January Session, 2001

**Amendment**

LCO No. 8314

Offered by:  
SEN. HARP, 10<sup>th</sup> Dist.

To: Senate Bill No. 46

File No. 150

Cal. No. 174

**"AN ACT REQUIRING HEALTH INSURANCE POLICIES TO COVER  
MEDICALLY NECESSARY INFANT NUTRITIONAL FORMULA."**

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

3 "Section 1. Subdivision (15) of section 38a-816 of the general statutes  
4 is repealed and the following is substituted in lieu thereof:

5 (15) (A) Failure by an insurer, or any other entity responsible for  
6 providing payment to a health care provider pursuant to an insurance  
7 policy, to pay accident and health claims, including, but not limited to,  
8 claims for payment or reimbursement to health care providers, within  
9 the time periods set forth in subparagraph (B) of this subdivision,  
10 unless the Insurance Commissioner determines that a legitimate  
11 dispute exists as to coverage, liability or damages or that the claimant  
12 has fraudulently caused or contributed to the loss. Any insurer, or any  
13 other entity responsible for providing payment to a health care  
14 provider pursuant to an insurance policy, who fails to pay such a claim  
15 or request within the time periods set forth in subparagraph (B) of this

16 subdivision shall pay the claimant or health care provider the amount  
17 of such claim plus interest at the rate of fifteen per cent per annum, in  
18 addition to any other penalties which may be imposed pursuant to  
19 sections 38a-11, 38a-25, 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60,  
20 inclusive, 38a-62 to 38a-64, inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to  
21 38a-124, inclusive, 38a-129 to 38a-140, inclusive, 38a-146 to 38a-155,  
22 inclusive, 38a-283, 38a-288 to 38a-290, inclusive, 38a-319, 38a-320, 38a-  
23 459, 38a-464, 38a-815 to 38a-819, inclusive, 38a-824 to 38a-826,  
24 inclusive, and 38a-828 to 38a-830, inclusive. Whenever the interest due  
25 a claimant or health care provider pursuant to this section is less than  
26 one dollar, the insurer shall deposit such amount in a separate interest-  
27 bearing account in which all such amounts shall be deposited. At the  
28 end of each calendar year each such insurer shall donate such amount  
29 to The University of Connecticut Health Center.

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

43 Sec. 2. Section 17b-296 of the general statutes is repealed and the  
44 following is substituted in lieu thereof:

45 (a) Each managed care plan shall include sufficient numbers of  
46 appropriately trained and certified clinicians of pediatric care,  
47 including primary, medical subspecialty and surgical specialty  
48 physicians, as well as providers of necessary related services such as

49 dental services, mental health services, social work services,  
50 developmental evaluation services, occupational therapy services,  
51 physical therapy services, speech therapy and language services,  
52 school-linked clinic services and other public health services to assure  
53 enrollees the option of obtaining benefits through such providers.

54 (b) Each managed care organization that enters into a contract with  
55 the department to provide comprehensive services under the HUSKY  
56 Plan, Part A or the HUSKY Plan, Part B, or both, shall have primary  
57 responsibility for ensuring that its behavioral health and dental  
58 subcontractors adhere to the contract between the department and the  
59 managed care organization, including the provision of timely  
60 payments to providers and interest payments in accordance with  
61 subdivision (15) of section 38a-816.

62 (c) Upon the initial contract or the renewal of a contract between a  
63 managed care organization and a behavioral health or dental  
64 subcontractor, the department may impose performance bond, letter of  
65 credit, statement of financial reserves or payment withhold  
66 requirements for behavioral health and dental subcontractors of a  
67 managed care organization that provides services under the HUSKY  
68 Plan, Part A or the HUSKY Plan, Part B, or both, pursuant to a contract  
69 with the department. Any such performance bond, letter of credit,  
70 statement of financial reserves or payment withhold that may be  
71 required by the department shall be in an amount sufficient to assure  
72 the settlement of provider claims in the event that the contract between  
73 the managed care organization and the behavioral health or dental  
74 subcontractor is terminated. Upon the initial contract or the renewal of  
75 a contract between a managed care organization and a behavioral  
76 health or dental subcontractor, the managed care organization shall  
77 negotiate and enter into a contract termination agreement with its  
78 behavioral health and dental subcontractors that shall include, but not  
79 be limited to, provisions concerning financial responsibility for the  
80 final settlement of provider claims and data reporting to the  
81 department. The managed care organization shall submit reports to the  
82 department, at such times as the department shall determine,

83 concerning any payments made from such performance bond or any  
84 payment withholds, the timeliness of claim payments to providers and  
85 the payment of any interest to providers.

86 (d) Prior to the approval by the department of a contract between a  
87 managed care organization and a behavioral health and dental  
88 subcontractor for services provided under the HUSKY Plan, Part A or  
89 the HUSKY Plan, Part B, or both, the managed care organization shall  
90 submit a plan for the resolution of any outstanding claims submitted  
91 by providers to a previous behavioral health or dental subcontractor of  
92 the managed care organization for services provided to members  
93 enrolled in the HUSKY Plan, Part A or the HUSKY Plan, Part B, or  
94 both. Such plan for the resolution of outstanding claims shall comply  
95 with the terms of the contract between the department and the  
96 managed care organization."