



House of Representatives

General Assembly

File No. 262

January Session, 2003

House Bill No. 5499

House of Representatives, April 9, 2003

The Committee on Insurance and Real Estate reported through REP. OREFICE of the 37th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING HEALTH INSURANCE UNDERWRITING.

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

1 Section 1. Section 38a-481 of the general statutes is amended by
2 adding subsection (h) as follows (*Effective October 1, 2003*):

3 (NEW) (h) No insurance company, fraternal benefit society, hospital
4 service corporation, medical service corporation, health care center or
5 any other entity which renews an individual health insurance policy in
6 this state may place an individual who is insured under the policy in a
7 less favorable rating classification when the policy is renewed.

8 Sec. 2. Section 38a-531 of the general statutes is repealed and the
9 following is substituted in lieu thereof (*Effective October 1, 2003*):

10 (a) For purposes of this section: (1) "Employer" means any person,
11 firm, corporation, limited liability company, partnership or association
12 engaged in business who has employees in this state; (2) "employee"
13 means any person engaged in service to an employer in a business of

14 [his] an employer; and (3) "continued" or "continuance date" means the
 15 anniversary date of the issuance of a policy after which the policy
 16 remains in effect until cancelled.

17 (b) Notwithstanding any other provisions of the general statutes,
 18 [every] each group health insurance policy providing coverage of the
 19 type specified in subdivisions (1), (2) and (4) of section 38a-469
 20 delivered, issued for delivery, renewed or continued in any other state
 21 [on or after October 1, 1988,] offered by an employer, shall provide to
 22 covered employees of such employer employed in this state [coverage
 23 which meets the requirements of sections 38a-514, 38a-516, 38a-518,
 24 38a-520, 38a-525, 38a-526, 38a-533 and 38a-538; and every such policy
 25 delivered, issued for delivery, renewed or continued in any other state
 26 on or after October 1, 1989, offered by an employer shall provide to
 27 such employees coverage which meets the requirements of section 38a-
 28 503; and every such policy delivered, issued for delivery, renewed or
 29 continued in any other state on or after October 1, 1990, offered by an
 30 employer shall provide to such employees coverage which meets the
 31 requirements of section 38a-535,] whenever, on the initial effective date
 32 of such policy or any renewal or continuance date thereafter, fifty-one
 33 per cent or more of the covered employees [under such policy] of such
 34 employer are employed in this state, coverage that meets the
 35 requirements of this title. The forms of such policies shall be submitted
 36 to the Insurance Commissioner for approval.

This act shall take effect as follows:	
Section 1	October 1, 2003
Sec. 2	October 1, 2003

INS *Joint Favorable*

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:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Insurance Dept.; Comptroller Misc. Accounts (Fringe Benefits)	Various - None	None	None

Municipal Impact: None

Explanation

The bill does not affect state and municipal employers and has no fiscal impact.

OLR Bill Analysis

HB 5499

AN ACT CONCERNING HEALTH INSURANCE UNDERWRITING**SUMMARY:**

This bill prohibits insurers, fraternal benefit societies, hospital and medical service corporations, HMOs and other entities from placing an insured in a less favorable rating classification upon the renewal of an individual health insurance policy.

The bill also broadens coverage for certain employees by requiring group policies offered by employers to satisfy all benefit requirements, instead of the 10 benefits specified under current law. The new benefit requirements apply to a covered employee group where 51% of the employees are employed in Connecticut.

EFFECTIVE DATE: October 1, 2003

INDIVIDUAL POLICIES

The bill prohibits underwriting individual policies on the basis of an insured's age, gender, occupation, marital status, geographic location, claims experience or health condition if it places the insured in a rate classification that increases the renewal premium.

GROUP POLICIES

The bill increases the number of mandated benefits that apply to group policies covering Connecticut employees under an employer-sponsored health insurance plan. Under current law, such policies must cover only 10 specific benefits. The bill increases the total number of benefits requiring coverage to 40.

The group policy must pay basic hospital, medical, and major medical expenses, and on or after October 1, 2003, be delivered, issued for delivery, renewed, or continued in another state where 51% of the employees covered under the policy are employed in Connecticut.

MANDATED BENEFIT COVERAGE UNDER GROUP POLICY

Current law requires coverage for the 10 benefits denoted with an asterisk (*). The bill requires coverage for the following additional 30 benefits:

- | | |
|---|---|
| 1. preexisting medical condition | 22. maternity and postpartum care |
| 2. mental and nervous condition* | 23. mastectomy of lymph node dissection |
| 3. mentally or physically handicapped children | 24. preventive pediatric care* |
| 4. newborn infants* | 25. dependent and employee |
| 5. early intervention services | 26. tumors and leukemia and breast implant removal and reconstruction |
| 6. accidental ingestion of a controlled drug* | 27. chiropractic services |
| 7. hypodermic needles and syringes | 28. continuation, extension and conversion rights* |
| 8. cancer drugs | 29. maternity benefit continuation |
| 9. prescription foods | 30. prospective adoptive children |
| 10. diabetes | 31. prescription birth control |
| 11. home health care* | 32. diabetes self-management training |
| 12. comprehensive rehabilitation services | 33. lyme disease |
| 13. occupational therapy | 34. prostate cancer screening |
| 14. ambulance service* | 35. in-hospital dental services |
| 15. emergency services and care | 36. ostomy |
| 16. physician assistants and nurse practitioner services* | 37. pain management |
| 17. complications of alcoholism* | 38. cancer clinical trials |
| 18. veterans | 39. colon cancer screening |
| 19. mammography* | 40. hearing aids |
| 20. people with breast cancer histories | |
| 21. direct access to OB GYNs | |

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report
 Yea 16 Nay 0