



House of Representatives

General Assembly

File No. 265

January Session, 2005

Substitute House Bill No. 6915

House of Representatives, April 11, 2005

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PORTABILITY UNDER PLANS ISSUED THROUGH THE HEALTH REINSURANCE ASSOCIATION.

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

1 Section 1. Subsection (j) of section 38a-553 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2005*):

4 (j) No comprehensive health care plan issued through the Health
5 Reinsurance Association to [a health care tax credit eligible] an
6 individual shall include any limitation or exclusion of benefit based on
7 a preexisting condition if such individual maintained creditable health
8 insurance coverage for an aggregate period of [three months] ninety
9 days as of the date on which the individual seeks to enroll in the
10 Health Reinsurance Association issued plan, not counting any period
11 prior to a sixty-three-day break in coverage. As used in this section,
12 "creditable health insurance coverage" means any qualifying coverage,

13 as defined in section 38a-476, or coverage under a short-term health
14 insurance policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2005	38a-553(j)

INS *Joint Favorable Subst.*

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: None

Municipal Impact: None

Explanation

The bill broadens the prohibition on imposing benefit limits or exclusions based on preexisting conditions in comprehensive health care plans issued through the Health Reinsurance Association. The bill has no fiscal impact.

OLR Bill Analysis

sHB 6915

AN ACT CONCERNING PORTABILITY UNDER PLANS ISSUED THROUGH THE HEALTH REINSURANCE ASSOCIATION**SUMMARY:**

This bill broadens the prohibition on imposing benefit limits or exclusions based on preexisting conditions in comprehensive health care plans issued through the Health Reinsurance Association. Current law applies the prohibition only with respect to people who are eligible for a health care tax credit under Section 35 of the Internal Revenue Code who maintained creditable health insurance coverage for three months.

The bill extends the prohibition to anyone who maintained creditable health insurance coverage or short-term health insurance coverage for 90 days as of the date on which he seeks to enroll. The 90-day period does not include any period prior to a 63-day break in coverage. Creditable coverage includes (1) any group health insurance plan, arrangement, or self-insured plan; (2) Medicare or Medicaid; or (3) an individual insurance plan that provides benefits actuarially equivalent to or exceeding small employer health care plan benefits.

EFFECTIVE DATE: October 1, 2005

BACKGROUND***Health Reinsurance Association***

Health Reinsurance Association is a health insurance risk pool whose members consist of insurers, HMOs, and self-insurers doing business in Connecticut. It makes individual and group comprehensive health care plans available to people unable to obtain insurance coverage through other means. It administers a reinsurance program and pools risk among participating members. Members share association losses.

Comprehensive Health Care Plans

By law, all individual and group comprehensive health care plans

must include specified minimum benefits, including coverage for catastrophic illness and a lifetime maximum coverage of \$1 million. The plans may include cost containment features, such as preferred provider provisions and utilization review of health care services.

Short-term Health Insurance

A short-term health insurance policy is typically nonrenewable and effective for less than one year.

Health Care Tax Credit

The 2002 federal Trade Act (PL 107-210) provides a refundable tax credit for 65% of the taxpayer's qualified health insurance expenses to him and his qualifying family members for each eligible coverage month beginning in the taxable year.

Related Bill

HB 6865 redefines "health insurance" for comprehensive health plan purposes.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 16 Nay 0