



General Assembly

Amendment

January Session, 2007

LCO No. 8097

SB0121308097SD0

Offered by:

SEN. WILLIAMS, 29th Dist.
SEN. LOONEY, 11th Dist.
SEN. GAFFEY, 13th Dist.
SEN. HANDLEY, 4th Dist.

SEN. MCDONALD, 27th Dist.
SEN. STILLMAN, 20th Dist.
SEN. CRISCO, 17th Dist.

To: Subst. Senate Bill No. 1213

File No. 86

Cal. No. 134

**"AN ACT CONCERNING THE FINANCIAL SECURITY
REQUIREMENT FOR PREFERRED PROVIDER NETWORKS."**

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

3 "Section 1. Subsection (i) of section 38a-479aa of the general statutes
4 is repealed and the following is substituted in lieu thereof (*Effective July*
5 *1, 2007*):

6 (i) Each preferred provider network shall maintain or arrange for a
7 letter of credit, bond, surety, reinsurance, reserve or other financial
8 security acceptable to the commissioner for the exclusive use of paying
9 any outstanding amounts owed participating providers in the event of
10 insolvency or nonpayment except that any remaining security may be
11 used for the purpose of reimbursing managed care organizations in
12 accordance with subsection (b) of section 38a-479bb. Such outstanding

13 amount shall be at least an amount equal to the greater of (1) an
 14 amount [calculated] sufficient to make payments to participating
 15 providers for two months determined on the basis of the two
 16 [quarters] months within the past year with the greatest amounts
 17 owed by the preferred provider network to participating providers, (2)
 18 the actual outstanding amount owed by the preferred provider
 19 network to participating providers, or (3) another amount determined
 20 by the commissioner. Such amount may be credited against the
 21 preferred provider network's minimum net worth requirements set
 22 forth in subsection (h) of this section. The commissioner shall review
 23 such security amount and calculation on a quarterly basis."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	38a-479aa(i)