



Senate

General Assembly

File No. 254

February Session, 2008

Substitute Senate Bill No. 273

Senate, March 31, 2008

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REGULATION OF THE SECONDARY MARKET IN PHYSICIAN DISCOUNTS.

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

- 1 Section 1. (NEW) (*Effective January 1, 2009*) (a) Any insurance
2 company or health care center that enters into or renews a contract
3 with a health care provider on or after January 1, 2009, shall include in
4 such contract a provision specifically stating that such contracting
5 entity may lease, rent or otherwise grant access to such provider's
6 health care services and to the fees established in such contract.
- 7 (b) Each such contracting entity that leases, rents or otherwise
8 grants access to a provider's health care services or fees shall:
- 9 (1) Maintain an Internet web site or a toll-free telephone number
10 through which a provider may obtain a listing of the third parties to
11 which such provider's services or fees has been leased, rented or
12 otherwise granted access; and

13 (2) Upon request at the time of entering into such contract, provide a
14 list to the provider of all known third parties to which such contracting
15 entity may lease, rent or otherwise grant access to such provider's
16 health care services or fees.

17 (c) Each contracting entity that leases, rents or otherwise grants
18 access to a provider's health care services or fees to a third party shall
19 require by contract that each remittance advice furnished to such
20 provider shall identify the source of any discount taken by such payer.

21 (d) Subject to any applicable continuity of care requirements,
22 agreements or contractual provisions, a third party's right to exercise a
23 contracting entity's rights and responsibilities under a provider
24 network contract shall terminate on the date such contract is
25 terminated.

26 (e) On and after January 1, 2009, all explanation of benefits and
27 remittance advices, whether written or electronic, shall clearly identify
28 the following:

29 (1) The name of the entity responsible for payment to the health care
30 provider; and

31 (2) The name of the contracting entity through which the payment
32 rate and any discounts are claimed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2009	New section

Statement of Legislative Commissioners:

In subsection (e), "on or after" was changed to "on and after" for accuracy.

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill requires an insurer or contracting entity that enters into or renews a contract with a health care provider to include certain contract provisions and will not result in a fiscal impact to the Department of Insurance.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 273*****AN ACT CONCERNING REGULATION OF THE SECONDARY MARKET IN PHYSICIAN DISCOUNTS.*****SUMMARY:**

This bill requires an insurer or HMO that enters into or renews a contract with a health care provider on or after January 1, 2009 to include a contract provision that the contracting entity (presumably the insurer or HMO) may lease, rent, or otherwise grant access to the provider's health care services and fees established under the contract. It specifies requirements with which a contracting entity must comply when it does this.

The bill, beginning January 1, 2009, requires all written and electronic explanation of benefits and remittance advices to clearly identify the name of the (1) entity responsible for paying the provider and (2) contracting entity whose payment rates and discounts apply.

EFFECTIVE DATE: January 1, 2009

REQUIREMENTS FOR LEASING PROVIDERS' SERVICES

The bill requires each contracting entity leasing, renting, or granting access to providers' services or fees to:

1. maintain a website or toll-free telephone number through which a provider can obtain a listing of third parties to which his or her services or fees have been leased, rented, or granted access and
2. when first contracting with a provider, give him or her, upon request, a list of all known third parties to which it may lease, rent, or grant access to his or her services or fees.

Under the bill, each contracting entity's contracts with third parties permitting access to a provider's services or fees must require each remittance given to a provider to identify the source of any discount the third party is applying.

The bill specifies that a third-party's right to access a provider's services or fees terminates on the date the contract between the contracting entity and the provider terminates, except for any applicable continuity of care requirements provided for in contract or law.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2008)