



Substitute Senate Bill No. 273

Public Act No. 08-126

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:

Section 1. (NEW) (*Effective January 1, 2009*) (a) As used in this section and sections 2 and 3 of this act:

(1) "Contracting entity" means any entity that contracts directly with a health care provider (A) for the delivery of health care services, or (B) for the selling, leasing, renting, assigning or granting of access to a contract or terms of a contract. For the purposes of this section, a health care provider is not a contracting entity.

(2) "Covered entity" means any entity that has not contracted directly with a health care provider but that buys, leases, rents, is assigned or accesses a contract or terms of a contract with a health care provider, that is responsible for (A) the payment or coordination of health care services, or (B) the establishment or extension of health care provider networks.

(3) "Health care provider" means any physician, physician group, physician network, independent practice association, physician organization or physician hospital organization.

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(4) A contracting entity sells, leases, rents, assigns or grants access to a contract or terms of a contract to a covered entity for the purposes of this section and sections 2 and 3 of this act when such contracting entity is not involved in the administration of the benefit plan responsible for the payment of health care services provided by such plan.

Sec. 2. (NEW) (*Effective January 1, 2009*) (a) Any contracting entity that enters into or renews a contract with a health care provider on or after January 1, 2009, and that sells, leases, rents, assigns or grants access to such provider's health care services, discounted rates or fees shall include in such contract a provision specifically stating that such contracting entity may sell, lease, rent, assign or grant access to such provider's health care services, discounted rates or the fees established in such contract.

(b) Each such contracting entity that sells, leases, rents, assigns or grants access to any covered entity, a physician panel or a health care provider's health care services, discounted rates or fees shall:

(1) Maintain an Internet web site or a toll-free telephone number through which a health care provider may obtain a listing of the covered entities to which such provider's services, discounted rates or fees has been sold, leased, rented, assigned or granted access; and

(2) Upon request at the time of entering into such contract, provide a list to the health care provider of all known covered entities to which such contracting entity may sell, lease, rent, assign or grant access to such provider's health care services, discounted rates or fees.

(c) Each covered entity shall pay the health care provider's discounted rates or fees in accordance with the terms and conditions set forth in the contract between the contracting entity and such provider.

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(d) Subject to any applicable continuity of care requirements, agreements or contractual provisions with a health care provider, a covered entity's right to exercise a contracting entity's rights and responsibilities under a contract shall terminate on the date such contracting entity's contract with such provider is terminated.

(e) On and after January 1, 2009, all remittance advices, whether written or electronic, shall clearly identify the following:

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

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

(f) On and after January 1, 2009, any contracting entity or covered entity that issues a member identification card shall clearly mark on such card the address of the Internet web site or toll-free telephone number set forth in subdivision (1) of subsection (b) of section 2 of this act.

Sec. 3. (NEW) (*Effective January 1, 2009*) Nothing in section 1 or 2 of this act shall be construed to apply to any contracting entity that sells, leases, rents, assigns or grants access to a health care provider's health care services, discounted rates or fees to: (1) Any entity under common ownership or control with such contracting entity; (2) any entity providing or receiving administrative services or insurance from such contracting entity or any entity under common ownership or control with such contracting entity; (3) any independent entity operating under the same licensee program and brand as such contracting entity; or (4) any entity providing or receiving administrative services or insurance from an independent entity operating under the same licensee program and brand as such contracting entity.

Sec. 4. (NEW) (*Effective January 1, 2009*) The provisions of sections 1

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and 2 of this act shall not apply to the delivery of health care services for the purposes of workers' compensation benefits pursuant to chapter 568 of the general statutes.

Approved June 2, 2008