



General Assembly

January Session, 2009

**Raised Bill No. 765**

LCO No. 2445

\*02445\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING RENTAL NETWORK CONTRACT ARRANGEMENTS.**

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

1 Section 1. Section 42-491 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

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

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

13 (1) Maintain an Internet web site or a toll-free telephone number  
14 through which a health care provider may obtain a listing of the

15 covered entities to which such provider's services, discounted rates or  
16 fees [has] have been sold, leased, rented, assigned or granted access,  
17 such listing to be updated on a routine basis not less than every ninety  
18 days; and

19 (2) Upon request at the time of entering into such contract, provide a  
20 list to the health care provider of all known covered entities to which  
21 such contracting entity may sell, lease, rent, assign or grant access to  
22 such provider's health care services, discounted rates or fees, such list  
23 to be updated on a routine basis not less than every ninety days.

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

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

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

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

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

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

43 (g) No covered entity that has been sold, leased, rented, assigned or

44 granted access to a provider's health care services, discounted rates or  
45 fees by a contracting entity shall subsequently sell, lease, rent, assign  
46 or grant access to such provider's health care services, discounted rates  
47 or fees to any other third party.

48 Sec. 2. (NEW) (*Effective October 1, 2009*) (a) Any violation of section  
49 42-491 of the general statutes, as amended by this act, shall be deemed  
50 an unfair or deceptive insurance practice under section 38a-816 of the  
51 general statutes.

52 (b) The Insurance Commissioner may adopt regulations, in  
53 accordance with chapter 54 of the general statutes, to carry out the  
54 provisions of sections 42-490 to 42-493, inclusive, of the general  
55 statutes.

56 (c) Nothing in this section shall prohibit or limit any claim or action  
57 by a health care provider against a contracting entity or covered entity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	42-491
Sec. 2	<i>October 1, 2009</i>	New section

**Statement of Purpose:**

To require listings of covered entities be updated at least every ninety days, to prohibit covered entities from granting subsequent access to third parties to health care services, discounted rates or fees established in contracts between health care providers and contracting entities, and to specify that violations are deemed unfair or deceptive insurance practices under section 38a-816 of the general statutes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*