



House of Representatives

General Assembly

File No. 14

February Session, 2010

Substitute House Bill No. 5113

House of Representatives, March 11, 2010

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING BILLING FOR SERVICES COVERED BY LONG-TERM CARE INSURANCE BY MANAGED RESIDENTIAL COMMUNITIES.

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

1 Section 1. Section 19a-694 of the 2010 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2010*):

4 (a) All managed residential communities operating in the state shall:

5 (1) Provide a written residency agreement to each resident in
6 accordance with section 19a-700;

7 (2) Afford residents the ability to access services provided by an
8 assisted living services agency. Such services shall be provided in
9 accordance with a service plan developed in accordance with section
10 19a-699;

11 (3) Upon the request of a resident, arrange, in conjunction with the
12 assisted living services agency, for the provision of ancillary medical
13 services on behalf of a resident, including physician and dental
14 services, pharmacy services, restorative physical therapies, podiatry
15 services, hospice care and home health agency services, provided the
16 ancillary medical services are not administered by employees of the
17 managed residential community, unless the resident chooses to receive
18 such services;

19 (4) Provide a formally established security program for the
20 protection and safety of residents that is designed to protect residents
21 from intruders;

22 (5) Afford residents the rights and privileges guaranteed under title
23 47a; [and]

24 (6) Comply with the provisions of subsection (c) of section 19-13-
25 D105 of the regulations of Connecticut state agencies; and

26 (7) Upon the request of a resident who has a long-term care
27 insurance policy, assist such resident with preparing and submitting
28 claims for benefits to the insurer, provided such resident has signed a
29 written authorization allowing the insurer to disclose information
30 concerning the resident's long-term care insurance policy and benefits
31 to the managed residential community.

32 (b) No managed residential community shall control or manage the
33 financial affairs or personal property of any resident, except as
34 provided for in subdivision (7) of subsection (a) of this section.

35 Sec. 2. Subsection (a) of section 38a-501 of the general statutes is
36 repealed and the following is substituted in lieu thereof (*Effective July*
37 *1, 2010*):

38 (a) (1) As used in this section, "long-term care policy" means any
39 individual health insurance policy, delivered or issued for delivery to
40 any resident of this state on or after July 1, 1986, which is designed to
41 provide, within the terms and conditions of the policy, benefits on an

42 expense-incurred, indemnity or prepaid basis for necessary care or
43 treatment of an injury, illness or loss of functional capacity provided
44 by a certified or licensed health care provider in a setting other than an
45 acute care hospital, for at least one year after an elimination period
46 [(1)] (A) not to exceed one hundred days of confinement, or [(2)] (B) of
47 over one hundred days but not to exceed two years of confinement,
48 provided such period is covered by an irrevocable trust in an amount
49 estimated to be sufficient to furnish coverage to the grantor of the trust
50 for the duration of the elimination period. Such trust shall create an
51 unconditional duty to pay the full amount held in trust exclusively to
52 cover the costs of confinement during the elimination period, subject
53 only to taxes and any trustee's charges allowed by law. Payment shall
54 be made directly to the provider. The duty of the trustee may be
55 enforced by the state, the grantor or any person acting on behalf of the
56 grantor. A long-term care policy shall provide benefits for confinement
57 in a nursing home or confinement in the insured's own home or both.
58 Any additional benefits provided shall be related to long-term
59 treatment of an injury, illness or loss of functional capacity. "Long-term
60 care policy" shall not include any such policy which is offered
61 primarily to provide basic Medicare supplement coverage, basic
62 medical-surgical expense coverage, hospital confinement indemnity
63 coverage, major medical expense coverage, disability income
64 protection coverage, accident only coverage, specified accident
65 coverage or limited benefit health coverage.

66 (2) (A) No insurance company, fraternal benefit society, hospital
67 service corporation, medical service corporation or health care center
68 delivering, issuing for delivery, renewing, continuing or amending any
69 long-term care policy in this state may refuse to accept or make
70 reimbursement pursuant to a claim for benefits submitted by or
71 prepared with the assistance of a managed residential community, as
72 defined in section 19a-693, in accordance with subdivision (7) of
73 subsection (a) of section 19a-694, as amended by this act, solely
74 because such claim for benefits was submitted by or prepared with the
75 assistance of a managed residential community.

76 (B) Each insurance company, fraternal benefit society, hospital
77 service corporation, medical service corporation or health care center
78 delivering, issuing for delivery, renewing, continuing or amending any
79 long-term care policy in this state shall provide a copy of the
80 acceptance or declination of a claim for benefits submitted by or
81 prepared with the assistance of a managed residential community, as
82 defined in section 19a-693, in accordance with subdivision (7) of
83 subsection (a) of section 19a-694, as amended by this act, to such
84 managed residential community.

85 Sec. 3. Subsection (a) of section 38a-528 of the general statutes is
86 repealed and the following is substituted in lieu thereof (*Effective July*
87 *1, 2010*):

88 (a) (1) As used in this section, "long-term care policy" means any
89 group health insurance policy or certificate delivered or issued for
90 delivery to any resident of this state on or after July 1, 1986, which is
91 designed to provide, within the terms and conditions of the policy or
92 certificate, benefits on an expense-incurred, indemnity or prepaid basis
93 for necessary care or treatment of an injury, illness or loss of functional
94 capacity provided by a certified or licensed health care provider in a
95 setting other than an acute care hospital, for at least one year after a
96 reasonable elimination period. A long-term care policy shall provide
97 benefits for confinement in a nursing home or confinement in the
98 insured's own home or both. Any additional benefits provided shall be
99 related to long-term treatment of an injury, illness or loss of functional
100 capacity. "Long-term care policy" shall not include any such policy or
101 certificate which is offered primarily to provide basic Medicare
102 supplement coverage, basic medical-surgical expense coverage,
103 hospital confinement indemnity coverage, major medical expense
104 coverage, disability income protection coverage, accident only
105 coverage, specified accident coverage or limited benefit health
106 coverage.

107 (2) (A) No insurance company, fraternal benefit society, hospital
108 service corporation, medical service corporation or health care center

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill does not result in a fiscal impact. It allows managed residential communities (upon the request and written authorization of a resident) to assist in preparing and submitting a claim for benefits to long-term care insurers and requires that long-term care insurers accept such claims for approval or denial.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5113*****AN ACT CONCERNING BILLING FOR SERVICES COVERED BY LONG-TERM CARE INSURANCE BY MANAGED RESIDENTIAL COMMUNITIES.*****SUMMARY:**

This bill requires a managed residential community (MRC) to help a resident who requests assistance to prepare and submit claims on a long-term care insurance policy. The resident must authorize the insurer in writing to disclose information about his or her policy and benefits to the MRC. The bill exempts this kind of assistance from the prohibition against MRCs controlling or managing residents' financial affairs.

The bill prohibits insurers and other entities that deliver, issue for delivery, renew, continue, or amend individual or group long-term care policies in Connecticut from refusing to accept claims prepared or submitted by an MRC, or reimburse claims, solely because of the MRC's assistance. And it requires them to give a copy of the claim acceptance or rejection to the MRC that helped prepare or submit it.

EFFECTIVE DATE: July 1, 2010

COMMITTEE ACTION

Select Committee on Aging

Joint Favorable Substitute Change of Reference
Yea 11 Nay 0 (02/18/2010)

Insurance and Real Estate Committee

Joint Favorable
Yea 19 Nay 0 (02/25/2010)

