



House of Representatives

File No. 621

General Assembly

February Session, 2010

(Reprint of File No. 14)

Substitute House Bill No. 5113
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 22, 2010

**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2 statutes is repealed and the following is substituted in lieu thereof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) Assist a resident who has a long-term care insurance policy with
27 preparing and submitting claims for benefits to the insurer, provided
28 such resident has executed a written authorization requesting and
29 directing the insurer to (A) disclose information to the managed
30 residential community relevant to such resident's eligibility for an
31 insurance benefit or payment, and (B) provide a copy of the acceptance
32 or declination of a claim for benefits to the managed residential
33 community at the same time such acceptance or declination is made to
34 such resident.

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

38 Sec. 2. Subsection (a) of section 38a-501 of the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective July*
40 *1, 2010*):

41 (a) (1) As used in this section, "long-term care policy" means any
42 individual health insurance policy, delivered or issued for delivery to

43 any resident of this state on or after July 1, 1986, which is designed to
44 provide, within the terms and conditions of the policy, benefits on an
45 expense-incurred, indemnity or prepaid basis for necessary care or
46 treatment of an injury, illness or loss of functional capacity provided
47 by a certified or licensed health care provider in a setting other than an
48 acute care hospital, for at least one year after an elimination period
49 [(1)] (A) not to exceed one hundred days of confinement, or [(2)] (B) of
50 over one hundred days but not to exceed two years of confinement,
51 provided such period is covered by an irrevocable trust in an amount
52 estimated to be sufficient to furnish coverage to the grantor of the trust
53 for the duration of the elimination period. Such trust shall create an
54 unconditional duty to pay the full amount held in trust exclusively to
55 cover the costs of confinement during the elimination period, subject
56 only to taxes and any trustee's charges allowed by law. Payment shall
57 be made directly to the provider. The duty of the trustee may be
58 enforced by the state, the grantor or any person acting on behalf of the
59 grantor. A long-term care policy shall provide benefits for confinement
60 in a nursing home or confinement in the insured's own home or both.
61 Any additional benefits provided shall be related to long-term
62 treatment of an injury, illness or loss of functional capacity. "Long-term
63 care policy" shall not include any such policy which is offered
64 primarily to provide basic Medicare supplement coverage, basic
65 medical-surgical expense coverage, hospital confinement indemnity
66 coverage, major medical expense coverage, disability income
67 protection coverage, accident only coverage, specified accident
68 coverage or limited benefit health coverage.

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

77 because such claim for benefits was submitted by or prepared with the
78 assistance of a managed residential community.

79 (B) Each insurance company, fraternal benefit society, hospital
80 service corporation, medical service corporation or health care center
81 delivering, issuing for delivery, renewing, continuing or amending any
82 long-term care policy in this state shall, upon receipt of a written
83 authorization executed by the insured, (i) disclose information to a
84 managed residential community for the purpose of determining such
85 insured's eligibility for an insurance benefit or payment, and (ii)
86 provide a copy of the initial acceptance or declination of a claim for
87 benefits to the managed residential community at the same time such
88 acceptance or declination is made to the insured.

89 Sec. 3. Subsection (a) of section 38a-528 of the general statutes is
90 repealed and the following is substituted in lieu thereof (*Effective July*
91 *1, 2010*):

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

110 coverage.

111 (2) (A) No insurance company, fraternal benefit society, hospital
 112 service corporation, medical service corporation or health care center
 113 delivering, issuing for delivery, renewing, continuing or amending any
 114 long-term care policy in this state may refuse to accept or make
 115 reimbursement pursuant to a claim for benefits submitted by or
 116 prepared with the assistance of a managed residential community, as
 117 defined in section 19a-693, in accordance with subdivision (7) of
 118 subsection (a) of section 19a-694, as amended by this act, solely
 119 because such claim for benefits was submitted by or prepared with the
 120 assistance of a managed residential community.

121 (B) Each insurance company, fraternal benefit society, hospital
 122 service corporation, medical service corporation or health care center
 123 delivering, issuing for delivery, renewing, continuing or amending any
 124 long-term care policy in this state shall, upon receipt of a written
 125 authorization executed by the insured, (i) disclose information to a
 126 managed residential community for the purpose of determining such
 127 insured's eligibility for an insurance benefit or payment, and (ii)
 128 provide a copy of the initial acceptance or declination of a claim for
 129 benefits to the managed residential community at the same time such
 130 acceptance or declination is made to the insured.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	19a-694
Sec. 2	July 1, 2010	38a-501(a)
Sec. 3	July 1, 2010	38a-528(a)

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.

House "A" makes clarifying changes to the underlying bill and does not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5113 (as amended by House "A")******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 prepare and submit claims on a long-term care insurance policy. The resident must direct the insurer in writing to provide to the MRC (1) information about the resident's eligibility for insurance benefits and payments and (2) a copy of the insurer's decision on a benefit claim when it informs the resident of its decision. 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 (1) accept claims prepared or submitted by an MRC, or (2) reimburse claims, solely because of the MRC's assistance. And it requires them to give the MRC the information the resident directs them to provide and a copy of any claims decision.

*House Amendment "A" changes the information the resident must tell the insurer to disclose to include information relevant to determining the resident's eligibility for benefits or payment and requires the insurer to disclose this information.

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)