
OLR Bill Analysis

sSB 922

AN ACT CONCERNING NOTIFICATION OF THE SERVICES OF THE OFFICE OF THE HEALTHCARE ADVOCATE.

SUMMARY:

By law, a utilization review company, managed care organization (MCO), or health insurer must notify health benefit plan enrollees and health care providers of its determination not to certify a hospital admission or extended stay, service, or procedure. This bill adds to the information the notice must include. It requires a written statement that the enrollee may contact the Office of the Healthcare Advocate (OHA) for assistance with filing a grievance or appeal, and must include OHA's website address, email address, and telephone number.

The bill also requires all employers providing health insurance to obtain from OHA, and conspicuously post, a notice about OHA's services. Current law exempts self-insured employers from this requirement.

Finally, the bill requires certain health insurers who deny coverage of a requested service to notify the insured of his or her ability to contact OHA for assistance with filing an appeal. Current law only requires insurers who deny coverage of a requested service because it is not (1) medically necessary or (2) a covered benefit, to notify the insured of his or her ability to contact OHA if the insured believes he or she has been given erroneous information. The law, which the bill extends to all denials, requires insurers to provide the insured with OHA's contact information.

The bill's provision regarding health insurer denials applies to each insurer, HMO, hospital or medical service corporation, or other entity that delivers, issues, renews, amends, or continues in Connecticut individual or group health insurance policies that cover (1) basic

hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan. (Due to the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.)

EFFECTIVE DATE: October 1, 2011

UTILIZATION REVIEW COMPANY DETERMINATIONS

The bill requires a utilization review company to provide a written statement to health benefit plan enrollees and health care providers that the enrollee may contact OHA for assistance with filing an appeal, and must include OHA's website address, email address, and telephone number. This statement must be provided when the utilization review company (1) initially denies a service, procedure, admission, or hospital stay extension or (2) after appeal, upholds its claim denial. By law, an enrollee who exhausts a utilization review company's, MCO's, or health insurer's internal appeal process may file an external appeal with the insurance commissioner.

MCO AND HEALTH INSURER DETERMINATIONS

By law, an MCO or health insurer must inform an enrollee of its internal grievance procedures at the time of initial enrollment and at least annually thereafter. An enrollee and his or her provider must also be notified whenever a decision is made not to certify a hospital admission or extended stay or a service the provider orders. The bill requires this notice include a statement that the enrollee may contact OHA for assistance with filing a grievance regarding such a denial and must include OHA's web site address, email address, and telephone number.

BACKGROUND

Public Health Service Act Notification Requirements

The federal health care reform law (the Patient Protection and Affordable Care Act, P.L. 111-148) amends the Public Health Service Act to require individual and group health insurers to notify enrollees, in a culturally and linguistically appropriate manner, of (1) available

internal and external appeals processes and (2) contact information for the state's healthcare consumer assistance program or ombudsman (in Connecticut, OHA) to assist enrollees with the appeals process (42 U.S.C. § 300gg-19).

Utilization Review Companies

A utilization review company performs prospective and concurrent assessments of the necessity and appropriateness of health care services given to or proposed for a Connecticut resident.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 5 (02/24/2011)