



House of Representatives

General Assembly

File No. 230

January Session, 2013

Substitute House Bill No. 6546

House of Representatives, March 27, 2013

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING COPAYMENTS FOR PHYSICAL THERAPY SERVICES.

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

1 Section 1. (NEW) (*Effective January 1, 2014*) No individual health
2 insurance policy providing coverage of the type specified in
3 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
4 statutes delivered, issued for delivery, renewed, amended or
5 continued in this state shall impose copayments that exceed a
6 maximum of twenty-five dollars in one week for physical therapy
7 services rendered by a physical therapist licensed under section 20-73
8 of the general statutes.

9 Sec. 2. (NEW) (*Effective January 1, 2014*) No group health insurance
10 policy providing coverage of the type specified in subdivisions (1), (2),
11 (4), (11) and (12) of section 38a-469 of the general statutes delivered,
12 issued for delivery, renewed, amended or continued in this state shall
13 impose copayments that exceed a maximum of twenty-five dollars in
14 one week for physical therapy services rendered by a physical

15 therapist licensed under section 20-73 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2014</i>	New section
Sec. 2	<i>January 1, 2014</i>	New section

INS *Joint Favorable Subst.*

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:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	STATE MANDATE - Potential Cost	Indeterminate	Indeterminate

Explanation

The bill is not anticipated to result in a cost to the state employee and retiree health plan as the plan does not currently impose a copayment for in-network physical therapy.¹

The bill may result in a cost to certain fully insured municipalities which require copayments for physical therapy in excess of \$25 per week. The requirements of the bill may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2014. The bill does not make changes to coverage requirements. In addition, many municipal health plans are recognized as “grandfathered” health plans under the Patient Protection and Affordable Care Act (PPACA).² It is unclear what effect the adoption of certain health mandates will have on the

¹ Employees enrolled in the state’s Point-of-Service Plans (POS) are required to pay 20% of unreimbursed costs (after payment of an annual deductible) and any amount billed above the allowable charge for out of network services. Given the scope of the plan’s network and the parameters of the bill it is unlikely out-of-network services will have a fiscal impact on the state employee and retiree health plan.

² Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

grandfathered status of certain municipal plans under PPACA.³ Pursuant to federal law, self-insured health plans are exempt from state health mandates.

For the purposes of the PPACA this bill is not considered an additional mandate and therefore will not result in an additional cost to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Office of the State Comptroller State Of Connecticut Health Benefit Plan Document

³ According to the PPACA, compared to the plans' policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

OLR Bill Analysis**sHB 6546*****AN ACT CONCERNING COPAYMENTS FOR PHYSICAL THERAPY SERVICES.*****SUMMARY:**

This bill prohibits certain health insurance policies from imposing a copayment that is greater than \$25 for one week of physical therapy services performed by a state-licensed physical therapist.

The bill applies to individual and group policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (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: January 1, 2014

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/14/2013)