



General Assembly

January Session, 2013

Raised Bill No. 810

LCO No. 2554

02554_____INS

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT REQUIRING THE INSURANCE DEPARTMENT TO CONSULT WITH THE CONNECTICUT HEALTH INSURANCE EXCHANGE FOR RATES OR AMOUNTS FOR HEALTH PLANS OFFERED THROUGH SAID EXCHANGE.

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

1 Section 1. Subsections (a) and (b) of section 38a-481 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) No individual health insurance policy shall be delivered or
5 issued for delivery to any person in this state, nor shall any
6 application, rider or endorsement be used in connection with such
7 policy, until a copy of the form thereof and of the classification of risks
8 and the premium rates have been filed with the commissioner. The
9 commissioner shall adopt regulations, in accordance with chapter 54,
10 to establish a procedure for reviewing such policies. The commissioner
11 shall disapprove the use of such form at any time if it does not comply
12 with the requirements of law, or if it contains a provision or provisions
13 [which] that are unfair or deceptive or [which] that encourage

14 misrepresentation of the policy. The commissioner shall notify, in
15 writing, the insurer which has filed any such form of the
16 commissioner's disapproval, specifying the reasons for disapproval,
17 and ordering that no such insurer shall deliver or issue for delivery to
18 any person in this state a policy on or containing such form. The
19 provisions of section 38a-19 shall apply to such orders.

20 (b) No rate filed under the provisions of subsection (a) of this
21 section shall be effective until the expiration of thirty days after it has
22 been filed or unless sooner approved by the commissioner in
23 accordance with regulations adopted pursuant to this subsection,
24 except that no such rate shall be effective for an individual health
25 insurance policy that will be offered through the Connecticut Health
26 Insurance Exchange, established pursuant to section 38a-1081, unless
27 the commissioner has consulted with said exchange on such rate filing.
28 The commissioner shall adopt regulations, in accordance with chapter
29 54, to prescribe standards to ensure that such rates shall not be
30 excessive, inadequate or unfairly discriminatory. The commissioner
31 may disapprove such rate within thirty days after it has been filed if it
32 fails to comply with such standards, except that no rate filed under the
33 provisions of subsection (a) of this section for any Medicare
34 supplement policy shall be effective unless approved in accordance
35 with section 38a-474.

36 Sec. 2. Section 38a-513 of the general statutes is repealed and the
37 following is substituted in lieu thereof (*Effective from passage*):

38 (a) No group health insurance policy, as defined by the
39 commissioner, or certificate shall be [issued or] delivered or issued for
40 delivery in this state unless a copy of the form for such policy or
41 certificate has been submitted to and approved by the commissioner
42 [under the regulations adopted pursuant to this section] and, with
43 respect to a small employer group health insurance policy, as "small
44 employer" is defined in section 38a-564, the classification of risks and
45 rates have been filed with the commissioner. The commissioner shall

46 adopt regulations, in accordance with chapter 54, concerning the
47 provisions, submission and approval of such policies and certificates
48 and establishing a procedure for reviewing such policies and
49 certificates. If the commissioner issues an order disapproving the use
50 of such form, the provisions of section 38a-19 shall apply to such order.

51 (b) No rate filed under the provisions of subsection (a) of this
52 section shall be effective unless approved by the commissioner in
53 accordance with regulations adopted pursuant to this section, except
54 that no such rate shall be effective for a small employer group health
55 insurance policy that will be offered through the Connecticut Health
56 Insurance Exchange, established pursuant to section 38a-1081, unless
57 the commissioner has consulted with said exchange on such rate filing.

58 (c) No insurance company, fraternal benefit society, hospital service
59 corporation, medical service corporation, health care center or other
60 entity [which] that delivers or issues for delivery in this state any
61 Medicare supplement policies or certificates shall incorporate in its
62 rates or determinations to grant coverage for Medicare supplement
63 insurance policies or certificates any factors or values based on the age,
64 gender, previous claims history or the medical condition of any person
65 covered by such policy or certificate.

66 [(c)] (d) Nothing in this chapter shall preclude the issuance of a
67 group health insurance policy [which] that includes an optional life
68 insurance rider, provided the optional life insurance rider [must] shall
69 be filed with and approved by the Insurance Commissioner pursuant
70 to section 38a-430. Any company offering such policies for sale in this
71 state shall be licensed to sell life insurance in this state pursuant to the
72 provisions of section 38a-41.

73 [(d)] (e) Not later than January 1, 2009, the commissioner shall adopt
74 regulations, in accordance with chapter 54, to establish minimum
75 standards for benefits in group specified disease policies, certificates,
76 riders, endorsements and benefits.

77 Sec. 3. Subsection (a) of section 38a-183 of the general statutes is
78 repealed and the following is substituted in lieu thereof (*Effective from*
79 *passage*):

80 (a) A health care center governed by sections 38a-175 to 38a-192,
81 inclusive, shall not enter into any agreement with subscribers unless
82 and until it has filed with the commissioner a full schedule of the
83 amounts to be paid by the subscribers and has obtained the
84 commissioner's approval thereof, except that no such amount shall be
85 effective for any such agreement that will be offered through the
86 Connecticut Health Insurance Exchange, established pursuant to
87 section 38a-1081, unless the commissioner has consulted with said
88 exchange on such rate filing. The commissioner may refuse such
89 approval if he finds such amounts to be excessive, inadequate or
90 discriminatory. Each such health care center shall not enter into any
91 agreement with subscribers unless and until it has filed with the
92 commissioner a copy of such agreement or agreements, including all
93 riders and endorsements thereon, and until the commissioner's
94 approval thereof has been obtained. The commissioner shall, within a
95 reasonable time after the filing of any request for an approval of the
96 amounts to be paid, any agreement or any form, notify the health care
97 center of either [his] the commissioner's approval or disapproval
98 thereof.

99 Sec. 4. Section 38a-208 of the general statutes is repealed and the
100 following is substituted in lieu thereof (*Effective from passage*):

101 No such corporation shall enter into any contract with subscribers
102 unless and until it has filed with the Insurance Commissioner a full
103 schedule of the rates to be paid by the subscribers and has obtained
104 said commissioner's approval thereof, except that no such rate shall be
105 effective for any such contract that will be offered through the
106 Connecticut Health Insurance Exchange, established pursuant to
107 section 38a-1081, unless the commissioner has consulted with said
108 exchange on such rate filing. The commissioner may refuse such

109 approval if he finds such rates to be excessive, inadequate or
110 discriminatory. No hospital service corporation shall enter into any
111 contract with subscribers unless and until it has filed with the
112 Insurance Commissioner a copy of such contract, including all riders
113 and endorsements thereof, and until said commissioner's approval
114 thereof has been obtained. The Insurance Commissioner shall, within a
115 reasonable time after the filing of any such form, notify such
116 corporation [either of his] of said commissioner's approval or
117 disapproval thereof.

118 Sec. 5. Section 38a-218 of the general statutes is repealed and the
119 following is substituted in lieu thereof (*Effective from passage*):

120 No such medical service corporation shall enter into any contract
121 with subscribers unless and until it has filed with the Insurance
122 Commissioner a full schedule of the rates to be paid by the subscriber
123 and has obtained said commissioner's approval thereof, except that no
124 such rate shall be effective for any such contract that will be offered
125 through the Connecticut Health Insurance Exchange, established
126 pursuant to section 38a-1081, unless the commissioner has consulted
127 with said exchange on such rate filing. The commissioner may refuse
128 such approval if he finds such rates are excessive, inadequate or
129 discriminatory. No such medical service corporation shall enter into
130 any contract with subscribers unless and until it has filed with the
131 Insurance Commissioner a copy of such contract, including all riders
132 and endorsements thereof, and until said commissioner's approval
133 thereof has been obtained. The Insurance Commissioner shall, within a
134 reasonable time after the filing of any such form, notify such
135 corporation [either of his] of said commissioner's approval or
136 disapproval thereof.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-481(a) and (b)

Sec. 2	<i>from passage</i>	38a-513
Sec. 3	<i>from passage</i>	38a-183(a)
Sec. 4	<i>from passage</i>	38a-208
Sec. 5	<i>from passage</i>	38a-218

Statement of Purpose:

To require the Insurance Department to consult with the Connecticut Health Insurance Exchange prior to approving any rates or amounts for health plans that will be offered through said exchange.

[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.]