



General Assembly

February Session, 2016

Raised Bill No. 5521

LCO No. 2054



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING SHORT-TERM CARE INSURANCE.

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

1 Section 1. Section 38a-469 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 As used in this title, unless the context otherwise requires or a
4 different meaning is specifically prescribed, "health insurance" policy
5 means insurance providing benefits due to illness or injury, resulting
6 in loss of life, loss of earnings, or expenses incurred, and includes the
7 following types of coverage: (1) Basic hospital expense coverage; (2)
8 basic medical-surgical expense coverage; (3) hospital confinement
9 indemnity coverage; (4) major medical expense coverage; (5) disability
10 income protection coverage; (6) accident only coverage; (7) [long term]
11 long-term care coverage; (8) specified accident coverage; (9) Medicare
12 supplement coverage; (10) limited benefit health coverage; (11)
13 hospital or medical service plan contract; (12) hospital and medical
14 coverage provided to subscribers of a health care center; (13) specified
15 disease coverage; (14) TriCare supplement coverage; (15) travel health
16 coverage; [and] (16) single service ancillary health coverage, including,

17 but not limited to, dental, vision or prescription drug coverage; and
18 (17) short-term care coverage.

19 Sec. 2. (NEW) (*Effective October 1, 2016*) (a) As used in this section,
20 "short-term care policy" means any individual health insurance policy
21 delivered or issued for delivery to any resident of this state that is
22 designed to provide, within the terms and conditions of the policy,
23 benefits on an expense-incurred, indemnity or prepaid basis for
24 necessary care or treatment of an injury, illness or loss of functional
25 capacity provided by a certified or licensed health care provider in a
26 setting other than an acute care hospital, for a period not exceeding
27 three hundred days. "Short-term care policy" shall not include any
28 such policy that is offered primarily to provide basic Medicare
29 supplement coverage, basic medical-surgical expense coverage,
30 hospital confinement indemnity coverage, major medical expense
31 coverage, disability income protection coverage, accident only
32 coverage, specified accident coverage or limited benefit health
33 coverage.

34 (b) (1) No individual short-term care policy shall be delivered or
35 issued for delivery to any person in this state, nor shall any
36 application, rider or endorsement be used in connection with such
37 policy, until a copy of the form thereof and of the classification of risks
38 and the premium rates have been filed with the Insurance
39 Commissioner. The commissioner shall adopt regulations, in
40 accordance with the provisions of chapter 54 of the general statutes, to
41 establish a procedure for reviewing such policies. The commissioner
42 shall disapprove the use of such form at any time if it does not comply
43 with the requirements of law, or if it contains a provision or provisions
44 that are unfair or deceptive or that encourage misrepresentation of the
45 policy. The commissioner shall notify, in writing, the insurer that has
46 filed any such form of the commissioner's disapproval, specifying the
47 reasons for disapproval, and ordering that no such insurer shall
48 deliver or issue for delivery to any person in this state a policy on or
49 containing such form. The provisions of section 38a-19 of the general

50 statutes shall apply to such orders.

51 (2) No rate filed under the provisions of subdivision (1) of this
52 subsection shall be effective until it has been approved by the
53 commissioner in accordance with regulations adopted pursuant to this
54 subsection. The commissioner shall adopt regulations, in accordance
55 with the provisions of chapter 54 of the general statutes, to prescribe
56 standards to ensure that such rates shall not be excessive, inadequate
57 or unfairly discriminatory. The commissioner may disapprove such
58 rate if it fails to comply with such standards.

59 (c) (1) No insurance company, fraternal benefit society, hospital
60 service corporation, medical service corporation or health care center
61 may deliver or issue for delivery any short-term care policy without
62 providing, at the time of solicitation or application for purchase or sale
63 of such coverage, full and fair written disclosure of the benefits and
64 limitations of the policy.

65 (2) The applicant shall sign an acknowledgment at the time of
66 application for such policy that the company, society, corporation or
67 center has provided the written disclosure required under this
68 subsection to the applicant. If the method of application does not allow
69 for such signature at the time of application, the applicant shall sign
70 such acknowledgment not later than at the time of delivery of such
71 policy.

72 (3) Except for a short-term care policy for which no applicable
73 premium rate revision or rate schedule increases can be made, such
74 disclosure shall include:

75 (A) A statement in not less than twelve-point bold face type that the
76 policy does not provide long-term care insurance coverage and is not a
77 long-term care insurance policy or a Connecticut Partnership for Long-
78 Term Care insurance policy;

79 (B) A statement that the policy may be subject to rate increases in

80 the future;

81 (C) An explanation of potential future premium rate revisions and
82 the policyholder's option in the event of a premium rate revision; and

83 (D) The premium rate or rate schedule applicable to the applicant
84 that will be in effect until such company, society, corporation or center
85 files a request with the commissioner for a revision to such premium
86 rate or rate schedule.

87 (d) (1) No insurance company, fraternal benefit society, hospital
88 service corporation, medical service corporation or health care center
89 delivering, issuing for delivery, renewing, continuing or amending any
90 short-term care policy in this state may refuse to accept or make
91 reimbursement pursuant to a claim for benefits submitted by or
92 prepared with the assistance of a managed residential community, as
93 defined in section 19a-693 of the general statutes, in accordance with
94 subdivision (7) of subsection (a) of section 19a-694 of the general
95 statutes solely because such claim for benefits was submitted by or
96 prepared with the assistance of a managed residential community.

97 (2) Each insurance company, fraternal benefit society, hospital
98 service corporation, medical service corporation or health care center
99 delivering, issuing for delivery, renewing, continuing or amending any
100 short-term care policy in this state shall, upon receipt of a written
101 authorization executed by the insured, (A) disclose information to a
102 managed residential community for the purpose of determining such
103 insured's eligibility for an insurance benefit or payment, and (B)
104 provide a copy of the initial acceptance or declination of a claim for
105 benefits to the managed residential community at the same time such
106 acceptance or declination is made to the insured.

107 (e) The commissioner shall adopt regulations, in accordance with
108 the provisions of chapter 54 of the general statutes, to implement the
109 provisions of this section. Such regulations shall include, but not be
110 limited to, (1) the permissible loss ratio for a short-term care policy, if

111 any, (2) the permissible exclusionary periods for coverage under such
112 policy, if any, (3) the circumstances under which such policy will be
113 renewable, and (4) the benefits payable under such policy in relation to
114 other insurance coverage of the insured.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	38a-469
Sec. 2	<i>October 1, 2016</i>	New section

Statement of Purpose:

To authorize short-term care insurance policies to be sold in this state.

[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.]