



Senate

General Assembly

File No. 326

February Session, 2016

Senate Bill No. 374

Senate, March 30, 2016

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT PROHIBITING HEALTH INSURERS FROM RESTRICTING OR REDUCING COVERED BENEFITS FOR INSURED'S DIAGNOSED WITH A TERMINAL CONDITION.

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

1 Section 1. (NEW) (*Effective October 1, 2016*) No health insurance
2 company, health care center, fraternal benefit society, hospital service
3 corporation, medical service corporation or other entity that delivers,
4 issues for delivery, renews, amends or continues a health insurance
5 policy providing coverage of the types specified in subdivisions (1),
6 (2), (3), (4), (10), (11), (12), (13) and (16) of section 38a-469 of the general
7 statutes in this state shall restrict or reduce coverage for an insured,
8 based on an insured's diagnosis of a terminal condition, for any
9 service, treatment, prescription drug or device that is a covered benefit
10 and is (1) consistent with best practices for the care or treatment of a
11 disease, illness or condition, (2) prescribed as medically appropriate by
12 the insured's treating health care provider, or (3) supported by peer-
13 reviewed medical literature generally recognized by the relevant
14 medical community for use in the care or treatment of a disease, illness

15 or condition. As used in this section, "terminal condition" means an
16 incurable or irreversible disease, illness or medical condition that a
17 physician has diagnosed as expected to result in death in twenty-four
18 months or less.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section

INS *Joint Favorable*

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 17 \$	FY 18 \$
Various Municipalities	Potential Cost	See Below	See Below

Explanation

The bill does not result in fiscal impact to the state for the state employee and retiree health plan as the plan does not restrict or reduce benefits for terminally ill members. The bill's provisions are not considered a new mandate and therefore do not result in a fiscal impact to the state in accordance with the Affordable Care Act.

The bill may result in a cost to fully insured municipalities who currently restrict or reduce benefits for plan years effective after October 1, 2016. Pursuant to federal law self-insured plans are exempt from state health mandates.

The Out Years

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

OLR Bill Analysis**SB 374*****AN ACT PROHIBITING HEALTH INSURERS FROM RESTRICTING OR REDUCING COVERED BENEFITS FOR INSUREDS DIAGNOSED WITH A TERMINAL CONDITION.*****SUMMARY:**

This bill prohibits certain health insurers from restricting or reducing coverage to a terminally ill insured based on his or her diagnosis of a terminal condition. The bill defines "terminal condition" as an incurable or irreversible disease, illness, or medical condition that a physician has diagnosed as expected to result in death in 24 months or less.

Under the bill, insurers may not restrict or reduce coverage for any service, treatment, prescription drug, or device that is a covered benefit under the insured's policy and (1) consistent with best practices for the care or treatment of a disease, illness, or condition; (2) prescribed as medically appropriate by the insured's treating health care provider; or (3) supported by peer reviewed medical literature generally recognized by the relevant medical community to care or treat a disease, illness, or condition.

The bill applies to any health insurance company, health care center, fraternal benefit society, hospital service corporation, medical service corporation, or other entity that delivers, issues, renews, amends, or continues in Connecticut insurance policies that cover: (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) hospital confinement indemnity; (4) major medical expenses; (5) limited benefits; (6) hospital or medical services, including those provided under an HMO plan; (7) specified diseases; and (8) single ancillary services, including, but not limited to, dental, vision or prescription drug coverage.

EFFECTIVE DATE: October 1, 2016

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 16 Nay 3 (03/15/2016)