



Senate

General Assembly

File No. 330

February Session, 2018

Substitute Senate Bill No. 210

Senate, April 9, 2018

The Committee on Insurance and Real Estate reported through SEN. LARSON of the 3rd Dist. and SEN. KELLY of the 21st Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SURPRISE MEDICAL BILLS FOR LABORATORY SERVICES.

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

1 Section 1. Subsection (a) of section 38a-477aa of the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective*
3 *January 1, 2019*):

4 (a) As used in this section:

5 (1) "Emergency condition" has the same meaning as "emergency
6 medical condition", as provided in section 38a-591a;

7 (2) "Emergency services" means, with respect to an emergency
8 condition, (A) a medical screening examination as required under
9 Section 1867 of the Social Security Act, as amended from time to time,
10 that is within the capability of a hospital emergency department,
11 including ancillary services routinely available to such department to
12 evaluate such condition, and (B) such further medical examinations

13 and treatment required under said Section 1867 to stabilize such
14 individual, that are within the capability of the hospital staff and
15 facilities;

16 (3) "Health care plan" means an individual or a group health
17 insurance policy or health benefit plan that provides coverage of the
18 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
19 469;

20 (4) "Health care provider" means an individual licensed to provide
21 health care services under chapters 370 to 373, inclusive, chapters 375
22 to 383b, inclusive, and chapters 384a to 384c, inclusive;

23 (5) "Health carrier" means an insurance company, health care center,
24 hospital service corporation, medical service corporation, fraternal
25 benefit society or other entity that delivers, issues for delivery, renews,
26 amends or continues a health care plan in this state;

27 (6) (A) "Surprise bill" means a bill for health care services, other than
28 emergency services, received by an insured for services rendered by (i)
29 an out-of-network health care provider, where such services were
30 rendered by such out-of-network provider at an in-network facility,
31 during a service or procedure performed by an in-network provider or
32 during a service or procedure previously approved or authorized by
33 the health carrier and the insured did not knowingly elect to obtain
34 such services from such out-of-network provider, or (ii) a clinical
35 laboratory, as defined in section 19a-30, that is an out-of-network
36 provider, upon the referral of an in-network provider.

37 (B) "Surprise bill" does not include a bill for health care services
38 received by an insured when an in-network health care provider was
39 available to render such services and the insured knowingly elected to
40 obtain such services from another health care provider who was out-
41 of-network.

This act shall take effect as follows and shall amend the following sections:

Section 1	January 1, 2019	38a-477aa(a)
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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: None

Explanation

The bill is not anticipated to result in a fiscal impact to the state or municipal health plans as the bill does not alter the current practice or coverage requirements of the plans.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 210****AN ACT CONCERNING SURPRISE MEDICAL BILLS FOR LABORATORY SERVICES.****SUMMARY**

This bill broadens the definition of a surprise bill for health insurance purposes by including a bill for non-emergency services rendered by an out-of-network clinical laboratory if referred to by an in-network provider. In doing so, it requires health carriers (e.g., insurers and HMOs) to cover any such services resulting in a surprise bill at the in-network level of benefits.

Under current law, an insured person's bill is a "surprise bill" if (1) it is for non-emergency health care services rendered by an out-of-network provider at an in-network facility during a service or procedure performed by an in-network provider or previously authorized by the health carrier and (2) the insured person did not knowingly elect to receive the services from the out-of-network provider.

EFFECTIVE DATE: January 1, 2019

SURPRISE BILLS

By law, if an insured person receives a surprise bill, he or she must only pay the coinsurance, copayment, deductible, or other out-of-pocket cost that would apply if the services were rendered by an in-network provider. A health carrier must reimburse an out-of-network provider or insured, as applicable, for the services at the in-network rate as payment in full, unless the carrier and provider agree otherwise (CGS § 38a-477aa(c)).

The law also requires a health carrier to describe what constitutes a

surprise bill (1) in the insurance policy, certificate of coverage, or handbook given to an insured person and (2) prominently on its website (CGS § 38a-591b(d)).

By law, it is an unfair trade practice act violation (see BACKGROUND) for a health care provider to request payment, except for a copayment, deductible, coinsurance, or other out-of-pocket expense, from an insured person for a surprise bill (CGS § 20-7f).

BACKGROUND

Unfair Trade Practice Act Violation

The Connecticut Unfair Trade Practices Act prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

Related Bill

sHB 5039, reported favorably by the Insurance and Real Estate Committee, also amends the surprise billing statute. Under that bill, among other things, a health carrier must reimburse a facility, nonparticipating health care provider, or insured, as applicable, for the services that resulted in a surprise bill at the in-network rate as payment in full.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/20/2018)