
OLR Bill Analysis

SB 31

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 (1) cover any such services resulting in a surprise bill at the in-network level of benefits and (2) include the revised definition of surprise bill in policy documents and on their websites.

By law, an insured person's bill is already 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, 2020

SURPRISE BILLS

By law, if an insured person receives a surprise bill, he or she only has to 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 the insured person, 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 a violation of the Connecticut Unfair Trade Practice Act (CUTPA) (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

Connecticut Unfair Trade Practice Act

CUTPA 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 up to \$25,000 for a restraining order violation.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 20 Nay 0 (03/14/2019)