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## **OLR Bill Analysis**

### **SB 902**

#### ***AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS.***

#### **SUMMARY**

This bill requires health carriers that deliver, issue, renew, amend, or continue a high deductible health plan (HDHP) on or after January 1, 2021 to:

1. apply deductibles on a calendar year basis;
2. pro-rate deductibles for coverage beginning after January 1; and
3. if an insured was covered by a different HDHP during the calendar year, apply payments he or she can provide written evidence of making to the prior plan's deductible towards his or her current deductible.

The bill also requires insurers to provide deductions (presumably, to an insured's deductible) equal to the cost of all covered benefits, regardless of whether the health care provider was in- or out-of-network. The deductions must be the lesser of the amount the individual paid for the benefits or, if the provider was out-of-network, the amount he or she would have paid if the provider were in-network.

The bill also prohibits an HDHP from applying:

1. different deductibles based on family size, for plans offering family coverage (i.e., coverage for more than just the individual); and
2. an increased deductible solely because the plan provides family coverage rather than self-only coverage.

The bill's provisions apply to the maximum extent permitted by

federal law and that does not disqualify an individual that establishes a Health Savings Account (HSA) or Archer Medical Savings Account (MSA) from receiving the federal tax benefits associated with those accounts. (Under federal law, individuals with HDHPs may make pre-tax contributions to HSAs or Archer MSAs and use the accounts for qualified medical expenses. HDHPs must meet certain federal guidelines to qualify).

The bill allows the insurance commissioner to adopt implementing regulations.

EFFECTIVE DATE: January 1, 2021

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 9 (03/14/2019)