**AN ACT CONCERNING EXPLANATIONS OF BENEFITS.**

**SUMMARY**

This bill requires certain health insurance entities to (1) provide an explanation of benefits (EOB) to covered individuals for benefits they receive, (2) allows individuals to select how they receive EOBs, including allowing certain individuals to elect not to receive them at all, and (3) requires insurers to disclose to individuals that they may elect how, and if, to receive EOBs.

Under the bill, an insurer is prohibited from requiring a covered individual to waive his or her right to limit disclosures as a precondition to issuing, delivering, renewing, amending, or continuing a policy. The bill states that it should not be construed to limit a covered individual’s ability to request an adverse determination review.

The bill applies to insurers, health care centers, hospital and medical service corporations, fraternal benefit societies, and any other entity that delivers, issues, renews, amends, or continues a health insurance policy in Connecticut (i.e., a “health carrier”) that covers (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including those provided under an HMO plan.

The bill also makes conforming and technical changes.

**EFFECTIVE DATE:** January 1, 2020

**EXPLANATION OF BENEFITS (EOB)**

**Disclosure Statements**

Under the bill, a health carrier must make available to consumers in an easily readable, accessible, and understandable format, a statement
disclosing that any covered individual who can legally consent to receiving a covered benefit may specify that the carrier (1) not issue an EOB, (2) issue an EOB only to the consumer if it contains confidential information about covered benefits; or (3) issue the EOB another way, as the consumer specifies. Under the bill, the statement must include sufficient space for the consumer to specify a mailing address, e-mail address, or telephone number that the carrier or a third-party administrator can use to contact the individual about confidential information contained in an EOB.

By law, health carriers and the Connecticut Health Insurance Exchange (AccessHealth CT) must, generally, make certain benefit information available on their websites. Under the bill, the statement described above must also be available on their websites. Additionally, health carriers must make the statement available to consumers at the time of enrollment.

Under the bill, it appears that only those covered individuals who are legally capable of consenting to benefits but are not financially liable for them (e.g., an adult child on his or her parents’ insurance) may opt to not have an EOB issued.

The bill also requires health carriers to disclose similar information in policy documents. Specifically, they must disclose that consumers may (1) submit EOB delivery method requests or (2) request that EOBs not be delivered at all. This disclosure must be in plain language and displayed and printed clearly and conspicuously in all coverage documents, privacy communications, EOBs, and internet websites the health carrier makes available to Connecticut consumers.

**EOB Delivery Method**

Under the bill, a health carrier must issue an EOB to each consumer and allow him or her, if he or she can legally consent to the benefit (e.g., medical service), to specify how the EOB is delivered, including by:

1. mail to his or her address or any other specified address,
2. e-mail or other electronic means, or

3. making the EOB available solely to him or her electronically, in compliance with certain federal privacy laws.

Regardless of what method the consumer chooses, it remains valid until he or she specifies another method, orally or in writing, to the carrier.

Under the bill, a health carrier must comply with a consumer’s request for a specific delivery method within three calendar days if the request was made electronically or by phone, and within seven days if the request is received by first-class mail. A health carrier may comply with an electronic or phone request and request the covered individual also send in written confirmation by first-class mail. (It does not appear the covered individual is required to submit written confirmation.)

The bill requires a health carrier receiving an EOB delivery method request to provide oral or written confirmation to the consumer that they received it, and if contacted by the individual, advise them on the status of their EOB delivery method.

**Consumers who are not Financially Liable**

Covered individuals who can legally consent to benefits but are not financially liable for them may specify, either orally or in writing, that an EOB not be issued. In such a case, the health carrier cannot require him or her to provide any explanation not required by law or pursuant to a court order.

**Cost Sharing**

Regardless of the bill’s provisions, the bill allows a health care provider to make arrangements with a consumer for cost-sharing payments for covered benefits and must disclose such an arrangement to the health carrier.

**COMMITTEE ACTION**

Insurance and Real Estate Committee
Joint Favorable
Yea 15 Nay 5 (03/19/2019)