OLR Bill Analysis
sSB 977 (File 376, as amended by Senate "A")*

AN ACT CONCERNING EXPLANATIONS OF BENEFITS.

SUMMARY

This bill (1) requires certain health insurance entities (e.g., health carriers) to provide an explanation of benefits (EOB) to covered individuals for benefits they receive and (2) allows individuals who can legally consent to receiving covered medical services to select how, and if, they receive EOBs (see BACKGROUND). Under the bill, insurers and third party administrators (TPAs) must disclose these options to insureds.

The bill prohibits a health carrier 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 (i.e., HMOs), hospital and medical service corporations, fraternal benefit societies, and any 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. It also applies to TPAs providing services to such health carriers.

The bill also makes conforming and technical changes.

*Senate Amendment “A” (1) extends the bill’s effective date by one year; (2) explicitly incorporates TPAs into the bill’s requirements; (3) expands who can request to not receive EOBs to all legally consenting
consumers, instead of just those who are not financially liable; (4) makes changes in the EOB disclosure and delivery provisions, including eliminating the option for consumers to request EOB changes orally; and (5) eliminates a provision allowing a health care provider to make cost-sharing arrangements with a consumer.

EFFECTIVE DATE: January 1, 2021

EXPLANATION OF BENEFITS (EOBs)

Delivery Method

The bill generally requires health carriers or TPAs to issue EOBs to consumers. However, the bill allows consumers who can legally consent to receiving covered services to (1) specify how EOBs are delivered and (2) opt out of receiving them entirely.

A legally consenting consumer may specify in writing that EOBs must be delivered solely to him or her 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 (e.g., through a patient portal).

Regardless of what method the consumer chooses, it remains valid until he or she specifies another method in writing to the carrier. Under the bill, a health carrier or TPA must comply with a consumer’s written request for a specific delivery method within three business days after receiving it. Additionally, they must provide written confirmation of receipt and, if contacted by the consumer, advise them on the status of their EOB delivery method.

Opting Out

Covered individuals who can legally consent to benefits may specify, in writing, that an EOB not be issued. In such a case, the health carrier or TPA cannot require him or her to provide any explanation
for this decision unless it is required by law or pursuant to a court order.

**Disclosures**

Under the bill, health carriers and TPAs 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 covered benefits may specify that the carrier:

1. not issue EOBs or

2. issue them only to the consumer in a way he or she specifies, and include a space for the consumer to provide a mailing or email address.

By law, health carriers must make certain benefit information available upon enrollment, and both carriers and the Connecticut Health Insurance Exchange (AccessHealth CT) must make the same information available on their websites. Under the bill, this information must include the disclosure statement described above.

The bill also requires health carriers and TPAs to disclose to insureds that they 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 or printed clearly and conspicuously in all coverage documents, privacy communications, EOBs, and Internet websites the health carrier makes available to Connecticut consumers.

**BACKGROUND**

*Medical Consent*

Generally, adults may legally consent to medical procedures. Existing law allows minors to consent, regardless of parental approval, to a select number of medical services, including sexually transmitted disease testing (CGS § 19a-216), treatment for alcohol or drug dependence (CGS § 17a-688), and, in certain cases, HIV testing (CGS § 19a-592).
COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea  15   Nay  5   (03/19/2019)