



Acts Affecting Insurance

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Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting insurance enacted during the 2019 regular session. OLR's other Acts Affecting reports, including Acts Affecting Health Professionals and Acts Affecting Housing and Real Estate, are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of public acts are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/olrpasums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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Health Insurance Cost Sharing

Managed Care Plans

Under a new law, managed care organizations (MCOs), must calculate deductibles in the same way that existing law requires them to calculate coinsurances (i.e., based on the lesser of the amount the provider charges for the specific good or service or the amount payable by the MCO for the goods or services). The act also includes in this calculation amounts charged by MCO subcontractors ([PA 19-117](#), § 239, effective January 1, 2020).

Maximum Cost Sharing

A new law limits how much cost sharing (i.e., copays, coinsurances, deductibles, and other out-of-pocket-expenses) certain health insurance policies can impose on insureds. Specifically, an insured's out-of-pocket expense for a specific covered benefit cannot exceed (1) the amount the insurer or health carrier pays to the provider for the benefit, (2) an amount calculated based off how much the provider charges, or (3) the amount the insured would have paid without using his or her insurance ([PA 19-117](#), §§ 236 & 237, effective January 1, 2020).

Surprise Billing

A new law 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 the insured was referred by an in-network provider. In doing so, it requires health carriers (e.g., insurers and HMOs) to cover any such services that result in a surprise bill at the in-network level of benefits, ([PA 19-117](#), § 240, effective January 1, 2020).

Ultrasounds, Mammograms, and MRIs

Under a new law, certain health insurance policies are prohibited from charging coinsurance, copayments, deductibles, and other out-of-pocket expenses for covered breast ultrasounds, mammograms, and MRIs ([PA 19-117](#), §§ 209 & 210, effective January 1, 2020).

Health Insurance Coverage

Advanced Practice Registered Nurses

A new law adds advanced practice registered nurses (APRNs) to various insurance statutes, generally requiring health insurers to cover mental health services provided by APRNs, including residential treatment, in the same manner as those provided by physicians ([PA 19-98](#), effective October 1, 2019).

Adverse Determination Review Timeframes

A new law reduces, from 72 to 48 hours, the maximum time a health insurer or independent review organization can take to notify an insured of a decision for an (1) initial utilization review and benefit determination, (2) expedited internal adverse determination review that is based on medical necessity, or (3) expedited external or final adverse determination review. However, the act retains the 72-hour requirement if any portion of the 48 hours falls on a weekend ([PA 19-117](#), §§ 241-243, effective January 1, 2020).

Hearing Aid Coverage

A new law requires certain health insurance policies to cover hearing aids for any covered person, regardless of age, instead of only for children under age 13. Policies may limit coverage to one hearing aid per ear within a 24-month period ([PA 19-133](#), effective January 1, 2020).

High Deductible Health Plan Task Force

This session, the legislature established a High Deductible Health Plan (HDHP) task force to study the structure and impact of HDHPs on enrollees in Connecticut. The task force must report its findings and recommendations to the Insurance and Real Estate Committee by February 1, 2020 ([PA 19-117](#), § 247, effective upon passage).

Medical Necessity

Under a new law, certain health insurance policies must provide coverage for medically necessary health care services for emergency medical conditions ([PA 19-117](#), § 246, effective January 1, 2020).

Mental Health and Substance Use Disorder

This session, the legislature passed a new law prohibiting certain health insurance policies from applying nonquantitative treatment limitations (e.g., preauthorization requirements) to mental health and substance use disorder benefits in a way that is substantially different from how they apply these limitations to medical and surgical benefits.

The act also generally prohibits health insurance policies for denying coverage for substance abuse services solely because they were provided under a court order ([PA 19-159](#), effective January 1, 2020, except that certain reporting provisions are effective October 1, 2019).

Preexisting Conditions

A new law prohibits short-term health insurance policies issued on a nonrenewable basis for a term of six months or less from containing a preexisting condition provision. It also redefines the term “preexisting condition provision” to include preexisting conditions whether or not medical advice, diagnosis, care, or treatment was recommended or received before the coverage effective date ([PA 19-134](#), effective January 1, 2020).

Ultrasounds, Mammograms, and MRIs

This session, the legislature expanded health insurance coverage for breast ultrasound screenings to include women whose physicians recommend it and who (1) are age 40 or older or (2) have a family history or prior personal history of breast cancer ([PA 19-117](#), §§ 209 & 210, effective January 1, 2020).

Health Provider Contracts

Contracts and Fee Schedules for Dentists

A new law extends to dentists the same provider contract requirements and transparency provisions that are already applicable to other health care providers. In doing so, it requires a contracting health organization to give dentists with whom it contracts certain fee information. It prohibits a contracting health organization from making material changes to a dentist’s fee schedule except when and as specified by law ([PA 19-155](#), effective January 1, 2020).

Non-covered Services for Ophthalmologists

A new law prohibits a provider contract between a health carrier (e.g., insurer or HMO) and a licensed ophthalmologist from requiring the ophthalmologist to accept as payment an amount the carrier sets for services, procedures, or products that are not covered benefits under an insurance policy or benefit plan. It prohibits an ophthalmologist from charging patients more than his or her usual and customary rate for such non-covered services, procedures, or products ([PA 19-201](#), effective January 1, 2020).

Healthy Homes Insurance Surcharge

\$12 Healthy Homes Surcharge

A new law makes practical changes to the \$12 Healthy Homes surcharge that is generally imposed on homeowners insurance policies. It imposes the charge (1) on the policy’s first named insured, rather than on all named insureds; (2) only when a policy begins or renews, instead of also imposing it each time a policy is amended, and (3) on all policies covering individual condominium

units, individual units in common interest communities, or owned homes with four or fewer units other than mobile homes ([PA 19-192](#), § 3, effective upon passage).

Life and Disability Insurance

Disability Income Protection Policies Discretionary Clauses

A new law prohibits certain health carriers from including in a disability income protection policy a provision that allows the carrier discretion to interpret the policy's terms, or establishes standards for interpreting or reviewing the policy that are inconsistent with state law ([PA 19-117](#), § 244, effective January 1, 2020).

Opioid Antagonist Prescriptions and Life Insurance and Annuity Policies

A new law prohibits life insurance or annuity policies or contracts delivered, issued, renewed, or continued in the state from excluding coverage solely based on an individual having received a prescription for naloxone (i.e., an opioid antagonist) or for a naloxone biosimilar or generic ([PA 19-191](#), § 5, effective October 1, 2019).

Pharmacy and Contracting Provisions

Health Carrier Contracts Disclosure Provisions

A new law prohibits a health carrier contract from containing a provision that prohibits or penalizes, including through increased utilization review, reduced payments, or other financial disincentives, disclosure of certain information to an insured concerning covered benefits. This includes information about (1) a covered benefit's cost and cash price and (b) the availability, cost, and cash price of any therapeutically equivalent health care service or product ([PA 19-117](#), § 238, effective January 1, 2020).

Pharmacy Benefit Manager and Health Carrier Recoupments

Beginning January 1, 2020, a new law prohibits a contract between a health carrier or pharmacy benefit manager (PBM) and a pharmacy or pharmacist from allowing the health carrier or PBM to recoup, directly or indirectly, any portion of a claim that was paid to the pharmacy or pharmacist. However, the law excludes any payments made due to a pharmacy audit or authorized by another applicable law ([PA 19-199](#), § 1, effective October 1, 2019).

Miscellaneous

Changes to Insurance Statutes

A new law makes various changes to the insurance statutes. Among other things, it (1) allows the insurance commissioner to engage the services of insurance professionals to review certain form and rate filings, (2) opts Connecticut into the Interstate Insurance Product Regulation Compact for disability income products, and (3) allows certain insurance documents to be sent electronically with an insured's consent.

The new law requires a domestic mutual insurer that wishes to reorganize as a domestic stock insurer owned, directly or indirectly, by a mutual holding company to have an affirmative vote on the reorganization plan by two-thirds of its voting members, instead of two-thirds of all members. It also (1) alters the information that companies administering certain 403(b) retirement plans for political subdivisions of the state must disclose to retirement plan participants and (2) requires the companies to provide the same information to the state comptroller ([PA 19-125](#), various effective dates).

Council on Protecting Women's Health

A new law establishes a 20-member Council on Protecting Women's Health to advise the Public Health and Insurance committees on strategies and any necessary legislative changes to ensure that the federal government does not impede the provision of health care to women in Connecticut. The council must meet at least quarterly and, starting by January 1, 2020, annually submit a status report to the committees ([PA 19-70](#), effective July 1, 2019).

DPH Children's Health Initiatives and Insurance Fund

A new law incorporates the Department of Public Health's (DPH) children's health initiatives into the list of programs funded through the Insurance Fund by the public health fee on domestic health carriers. This conforms to an earlier law that transferred DPH's Children's Health Initiatives account from the General Fund to the Insurance Fund ([PA 19-117](#), § 72, effective July 1, 2019).

Insurance Data Security Model Law

A new law repeals the state's information security program law, replacing it with provisions substantially similar to the National Association of Insurance Commissioners (NAIC) insurance data security model law. Generally, the new law requires certain insurers and businesses to secure customers' private information and report on any cybersecurity events that expose such information ([PA 19-117](#), §§ 230, 231 & 391, as amended by [PA 19-196](#), §§ 8 & 9 effective October 1, 2020, for the provisions related to the new insurance data security law (§ 230) and

October 1, 2021, and for the provisions related to existing identity theft mitigation services requirements (§ 231) and the repeal of the current Comprehensive Information Security Program law (§ 391)).

Non-State Public Employer Health Care Plans

A new law allows the comptroller to offer non-state public employers health care plans in addition to or instead of the state employee health insurance plan. These additional plans include group hospitalization, medical, pharmacy, or other surgical insurance plans the comptroller develops. By law, a “non-state public employer” is a municipality or other state political subdivision, including a board of education, quasi-public agency, or public library.

Among other things, the new law also (1) establishes certain requirements related to such health plans and their premiums and (2) creates certain reporting requirements for non-state public employers and the comptroller ([PA 19-117](#), §§ 377-383, effective July 1, 2019, except the reporting requirements are effective upon passage).