
OLR Bill Analysis

HB 6782 (as amended by House "A")*

AN ACT CONCERNING NOTICES OF TERMINATION OF HEALTH CARE CONTRACTS.

SUMMARY

This bill requires a health carrier (e.g., insurer or HMO) and each provider participating in its network (i.e., participating provider) to give each other at least 90 days' written notice of an intent to terminate the contract before the proposed termination date or, if a nonrenewal, the end of the contract period. (This replaces current law's requirement for at least 90 days' notice before a participating provider is removed from or leaves a network.)

The bill requires the carrier to make a good faith effort to notify all insureds who are regular patients of the participating provider at least 30 days before the proposed termination date or, if a nonrenewal, the end of the contract period. (Current law instead requires this within 30 days after notification that a provider is being removed from or leaving a network.) Under the bill, this patient notification is not required if the carrier and participating provider agree in writing to extend the contract up to one year. The bill also eliminates a requirement that a provider leaving or removed from a network give the carrier a list of its covered patients.

By law, when a contract between a health carrier and a participating hospital or its parent corporation is terminated or not renewed, the carrier and hospital must continue to abide by the contract for an additional 60 days. For contracts entered into, renewed, amended, or continued on or after July 1, 2024, the bill (1) additionally applies this requirement to hospital intermediaries and (2) specifically requires that the contract terms the parties must continue abiding by for 60 days include the reimbursement terms for all health care services. (As under current law, these provisions do not apply if the carrier and hospital

agree in writing to the contract termination and make the notices described above.)

However, the bill takes effect upon passage. As a result, the law's provisions on continuing contract terms for 60 days (and the bill's modifications to those provisions) appear to not apply to contracts entered into, amended, or renewed before July 1, 2024. Thus, it is unclear if the current law remains in place until July 1, 2024.

*House Amendment "A" replaces the underlying bill with similar provisions and makes the following changes: (1) adds reference to a contract nonrenewal; (2) removes a requirement that a contract automatically extends or renews if a carrier or participating provider does not give the required notice; (3) removes a requirement that providers must give carriers patient lists; (4) changes the carrier's due date for notifying patients to at least 30 days before the proposed termination date, rather than within 30 days before the provider leaves the network; and (5) moves the effective date from October 1, 2023, to upon passage.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 10 Nay 2 (03/16/2023)