



**Substitute House Bill No. 6471**

**Public Act No. 11-132**

**AN ACT CONCERNING MOST FAVORED NATION CLAUSES IN HEALTH CARE PROVIDER CONTRACTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (2) of subsection (a) of section 38a-479 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2011*):

(2) "Provider" means a physician, surgeon, chiropractor, podiatrist, psychologist, optometrist, natureopath or advanced practice registered nurse licensed in this state or a group or organization of such individuals, who has entered into or renews a participating provider contract with a contracting health organization to render services to such organization's enrollees and [enrollee's] enrollees' dependents.

Sec. 2. Section 38a-479b of the general statutes is amended by adding subsections (c) and (d) as follows (*Effective October 1, 2011*):

(NEW) (c) Except as provided in subsection (d) of this section, no contracting health organization shall include in any participating provider contract, contract with a dentist or contract with a hospital licensed under chapter 368v, that is entered into, renewed or amended on or after October 1, 2011, or contract offered to a provider, dentist or hospital on or after October 1, 2011, any clause, covenant or agreement

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that:

(1) Requires the provider, dentist or hospital to:

(A) Disclose to the contracting health organization the provider's, dentist's or hospital's payment or reimbursement rates from any other contracting health organization the provider, dentist or hospital has contracted, or may contract, with;

(B) Provide services or procedures to the contracting health organization at a payment or reimbursement rate equal to or lower than the lowest of such rates the provider, dentist or hospital has contracted, or may contract, with any other contracting health organization;

(C) Certify to the contracting health organization that the provider, dentist or hospital has not contracted with any other contracting health organization to provide services or procedures at a payment or reimbursement rate lower than the rates contracted for with the contracting health organization;

(2) Prohibits or limits the provider, dentist or hospital from contracting with any other contracting health organization to provide services or procedures at a payment or reimbursement rate lower than the rates contracted for with the contracting health organization; or

(3) Allows the contracting health organization to terminate or renegotiate a contract with the provider, dentist or hospital prior to renewal if the provider, dentist or hospital contracts with any other contracting health organization to provide services or procedures at a lower payment or reimbursement rate than the rates contracted for with the contracting health organization.

(NEW) (d) (1) If a contract described in subsection (c) of this section is in effect prior to October 1, 2011, and includes a clause, covenant or

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agreement set forth under subdivisions (1) to (3), inclusive, of said subsection (c), such clause, covenant or agreement shall be void and unenforceable on the date such contract is next renewed or on January 1, 2014, whichever is earlier. Such invalidity shall not affect other provisions of such contract.

(2) Nothing in subdivision (1) of this subsection shall be construed to affect the rights of a contracting health organization to enforce such clause, covenant or agreement prior to the invalidation of such clause, covenant or agreement.

Approved July 8, 2011