



General Assembly

January Session, 2011

**Raised Bill No. 6471**

LCO No. 3264

\*03264\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

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

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

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2 general statutes is repealed and the following is substituted in lieu  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

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

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

13 (NEW) (c) No contracting health organization shall include in any  
14 participating provider contract, contract with a hospital licensed under

15 chapter 368v or contract offered to a provider or hospital any clause,  
16 covenant or agreement that:

17 (1) Requires the provider or hospital to:

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

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	38a-479(a)(2)

Sec. 2	October 1, 2011	38a-479b
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**Statement of Purpose:**

To prohibit managed care organizations and preferred provider networks from including most favored nation clauses in contracts with health care providers and hospitals.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*