
OLR Bill Analysis

SB 1041

AN ACT CONCERNING HEALTH CARE SHARING PLANS AND HEALTH CARE SHARING MINISTRIES.

SUMMARY

This bill prohibits an individual from receiving a fee or anything else of value for (1) selling, soliciting, or negotiating a health care sharing plan for a Connecticut resident or (2) administering such a plan that includes a Connecticut resident.

The bill makes a violation of this prohibition a Connecticut Unfair Insurance Practices Act (CUIPA) violation (see BACKGROUND). Under the bill, a “health care sharing plan” is an arrangement of members, or an affiliation or network of individuals, that encourages its participants to contribute to the medical, health care, assisted living, prescription drug, or wellness costs of other participants.

Additionally, the bill prohibits anyone licensed by the Insurance Department from conducting business with, or taking actions requiring a license on behalf of, a healthcare sharing ministry or health care sharing plan.

The bill defines a “health care sharing ministry” as someone who is not a health carrier that (1) refers to themselves as a “health care sharing ministry,” “health sharing ministry,” or anything similar and (2) holds themselves out as offering a means of, or alternative to, maintaining minimum essential coverage required under the federal Affordable Care Act (ACA).

Under the bill, the prohibition remains in effect regardless of whether the ACA’s minimum essential coverage requirement, or any of its other provisions, are repealed or rendered ineffective (see BACKGROUND).

EFFECTIVE DATE: October 1, 2021

BACKGROUND

Connecticut Unfair Insurance Practices Act (CUIPA)

The law prohibits engaging in unfair or deceptive acts or practices in the insurance business. It authorizes the insurance commissioner to conduct investigations and hearings, issue cease and desist orders, impose fines, revoke or suspend licenses, and order restitution for per se violations (i.e., violations specifically listed in statute). The law also allows the commissioner to ask the attorney general to seek injunctive relief in Superior Court if he believes someone is engaging in other unfair or deceptive acts not specifically defined in statute.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if the violation was knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease and desist order (CGS § 38a-815 et seq.)

Minimum Essential Coverage

Under federal law, “minimum essential coverage” is health insurance coverage from an individual policy, an employer-sponsored health plan, one of several federal or state medical plans, or certain other health insurance plans that meet minimum ACA requirements. By law, this excludes single service plans (such as dental or vision only), among others. (26 U.S.C. § 5000A).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 7 (03/22/2021)