



Senate

General Assembly

File No. 373

January Session, 2021

Senate Bill No. 1048

Senate, April 8, 2021

The Committee on Insurance and Real Estate reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING REIMBURSEMENTS FOR CERTAIN COVERED HEALTH BENEFITS.

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

1 Section 1. (NEW) (*Effective July 1, 2022*) (a) Each insurer, health care
2 center, hospital service corporation, medical service corporation,
3 preferred provider network or other entity that enters into, renews or
4 amends a contract with a health care provider on or after July 1, 2022, to
5 provide covered benefits to insureds or enrollees in this state shall
6 include in such contract:

7 (1) A provision requiring such insurer, health care center, hospital
8 service corporation, medical service corporation, preferred provider
9 network or other entity to:

10 (A) Reimburse the contracting health care provider for a covered
11 outpatient benefit that uses a current procedural terminology
12 evaluation and management (CPT E/M) code, current procedural
13 terminology assessment and management (CPT A/M) code or drug

14 infusion code in an amount that does not vary based on the facility
15 where the contracting health care provider provides such benefit; and

16 (B) Use equal reimbursement rates for all contracting health care
17 providers in the same geographic region, as determined by the
18 Insurance Commissioner and regardless of the employer or affiliation of
19 any contracting health care provider, for each covered outpatient benefit
20 described in subparagraph (A) of this subdivision if the reimbursement
21 for such covered outpatient benefit is made on a fee-for-benefit basis or
22 on the basis of bundled benefits per diagnosis, condition, procedure or
23 another standardized bundle of health care benefits; and

24 (2) A conspicuous statement that such contract complies with the
25 provisions of subdivision (1) of this subsection.

26 (b) The Insurance Commissioner shall adopt regulations, in
27 accordance with the provisions of chapter 54 of the general statutes, to
28 implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	New section

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
UConn Health Ctr.	Other - See Below	None	See Below

Municipal Impact: None

Explanation

The bill requires contracts between insurers and providers to entail equal reimbursement for certain outpatient services, regardless of the type of facility in which the service was provided, for contracts that are new, renewed, or amended beginning July 1, 2022 (FY 23). The bill also requires equal reimbursement rates for the same services, for all of an insurer's contracting providers in the same region, in certain circumstances. The bill is anticipated to decrease reimbursements for hospital settings and hospital-based facilities, and to increase reimbursements for outpatient facilities for the treatments outlined in the bill.

It is uncertain if the net costs to insurers will increase based on negotiated rates and changes in utilization by setting, as reflected in premiums for plan years starting after July 1, 2022.

The UConn Health Center may be impacted by the bill. The health center offers outpatient services in both regular outpatient and hospital-based outpatient facilities. The reimbursement rates could be affected for the services specified in the bill, particularly in the hospital-based facilities. Hospital-based facilities must comply with numerous requirements not imposed on other outpatient facilities, such as Joint

Commission accreditation, staffing requirements, and availability of emergency equipment, and consequently, total reimbursement rates may be higher for hospital-based outpatient care. The impact of the regional reimbursement equity provision depends on how UConn Health's contractual reimbursements currently compare to the same insurers' reimbursements to other providers in the same geographical area, which is unknown.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in health care costs and reimbursements.

OLR Bill Analysis**SB 1048*****AN ACT CONCERNING REIMBURSEMENTS FOR CERTAIN COVERED HEALTH BENEFITS.*****SUMMARY**

Starting July 1, 2022, this bill requires health carriers (e.g., health insurers and HMOs) and preferred provider networks that enter into, renew, or amend a contract with a health care provider to include in the contract a provision requiring equal reimbursement rates for covered outpatient services:

1. for all providers in the same geographic region (as determined by the insurance commissioner), regardless of the provider's employer or affiliation, if the services are reimbursed on a fee-for-services basis or as a standardized bundle of benefits (e.g., per diagnosis, condition, or procedure) and
2. regardless of the facility where the services are provided.

The bill applies to covered outpatient services that use a current procedural terminology evaluation and management (CPT E/M) code, current procedural terminology assessment and management (CPT A/M) code, or drug infusion code.

Additionally, the bill requires the (1) contracts to include a conspicuous statement that they comply with the bill's requirement and (2) insurance commissioner to adopt implementing regulations.

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 14 Nay 4 (03/22/2021)