
OLR Bill Analysis

HB 6782

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' notice of an intent to terminate the contract at the end of the contract period. (Current law requires at least 90 days' notice before a participating provider is removed from or leaves a network.) The bill specifies that if notice is not given, the contract must automatically renew or be extended.

Upon making or receiving a notice of the intent to terminate the contract, the bill requires a participating provider to give the carrier a list of patients covered by the carrier's network plan. It requires the carrier to make a good faith effort to notify all insureds who are regular patients of the participating provider within 30 days before the provider leaves or is removed from the network. (Current law requires this within 30 days after notification that a provider is being removed from or leaving a network.)

By law, with respect to contracts between a health carrier and a participating hospital or its parent corporation, when a contract is terminated or not renewed, the carrier and hospital must continue to abide by the contract for an additional 60 days. Under the bill, this also applies to contracts with a hospital's intermediary. The bill states that for contracts entered into, renewed, amended, or continued on or after July 1, 2024, this specifically means that they must continue abiding by the reimbursement terms for all health care services and provisions under the contract for 60 days from the termination date or, in the case of a nonrenewal, from the end of the contract period. Additionally, the

bill specifies that the hospital will be deemed out-of-network as of the contract termination date. 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.

EFFECTIVE DATE: October 1, 2023

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 10 Nay 2 (03/16/2023)