

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6782
AN ACT CONCERNING NOTICES OF TERMINATION OF HEALTH CARE
Title: CONTRACTS.
Vote Date: 3/16/2023
Vote Action: Joint Favorable
PH Date: 3/9/2023
File No.:

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SPONSORS OF BILL:

The Insurance and Real Estate Committee

REASONS FOR BILL:

In 2017 the General Assembly passed a bill to ensure patients are given adequate notice when a healthcare provider and insurance company terminate a contract, thus moving the provider out of network. The legislation requires: an insurer or provider intending to terminate their contract must notify the other party 90 days before the contract expires; that patients of the provider must be notified of the contract termination 60 days before its expiration; and that the provider will continue offering services at the in-network rate to those patients through a 60-day "cooling off" period following the contract's termination.

The language in the current statutes is not clear enough regarding deadlines and member notifications. Patients have been told by their insurance company their provider will be out of network starting on one date and when they call the provider to confirm, they are given a different date. This bill clarifies these matters by requiring providers/insurers to send the termination notice at least 90 days prior to the contract's expiration date; deeming the provider out of network on the day the contract expires; and requiring the patients to be notified 30 days prior to the provider leaving the network.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed

NATURE AND SOURCES OF SUPPORT:

Anthem Blue Cross and Blue Shield, Senior Director of Government Relations,

Christine Cappiello: supports this bill because it address the unintended confusion resulting from previous legislation on this matter. Because Medicare has its own 30 day notification requirements, the old/current legislation created a situation where Medicaid and non-Medicaid members received termination notifications nearly a month apart from each other. This new bill would keep both the 90-day termination notice between providers/insurers and the "critical cooling-off period after the contract termination" where members can receive care at the old in-network rate.

Connecticare, Assistant General Counsel, Kristin Campanelli

supports this bill as it "ensures all parties are on the same page and the consumer knows by which date they must secure alternative treatment arrangements." While the bill clarifies "the date of contract termination is the date the contract is set to expire," further clarification could be achieved by changing the language in (g)(2)(B)(iv) to read "effective date" in line 96, and again in lines 43-44. She further testified that the language in (g)(1)(A) was not clear regarding automatic renewals or extensions; she suggests that the language should be changed to favor either a renewal or extension, if not removed altogether.

Connecticut Association of Health Plans, Executive Director, Susan Halpin: Notes that under the current statutes, "confusion and frustration permeate" as "carriers are notifying their members that termination [will occur] on one date and a hospital is citing a different date further out." She supports this legislation as it "makes clear the date of contract termination is the date when the contract is set to expire, not the date that the 60-day cooling-off period ends." These changes "grant consumers the necessary time needed to prepare for potential transition."

NATURE AND SOURCES OF OPPOSITION:

Connecticut Hospital Association, Government Relations Team

opposes this bill because "there is no further language in the legislation related to who will determine if the contract is either renewed or extended." They support the principle of notifying patients when changes are made to existing provider networks, but they find that "continuity of care is in no way strengthened by the legislation." Furthermore, they believe the bill's "advanced level of interference in private contractual matters between payers and providers is unnecessary."

Connecticut Orthopaedic Society, Vice President, Dante Brittis

opposes this bill as written because "there is no additional language. . . that provides details as to what party determines if the contract is renewed or extended."

Reported by: Sean Chilson

Date: 3/20/2023