



General Assembly

February Session, 2022

Raised Bill No. 5410

LCO No. 2766



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS.

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

1 Section 1. (NEW) (*Effective January 1, 2023*) (a) For the purposes of this
2 section, unless the context otherwise requires or a different meaning is
3 specifically prescribed, "high deductible health plan" has the same
4 meaning as provided in subsection (f) of section 38a-493 of the general
5 statutes.

6 (b) No individual health insurance policy that is a high deductible
7 health plan, provides coverage of the type specified in subdivisions (1),
8 (2), (4), (11) and (12) of section 38a-469 of the general statutes, and is
9 delivered, issued for delivery, renewed, amended or continued in this
10 state on or after January 1, 2023, shall impose an annual deductible in
11 an amount that is greater than the minimum amount necessary for such
12 policy to qualify as a high deductible health plan pursuant to Section
13 220 or 223 of the Internal Revenue Code of 1986, or any subsequent
14 corresponding internal revenue code of the United States, as amended
15 from time to time, as applicable.

16 (c) The provisions of this section shall apply to a high deductible
17 health plan to the maximum extent permitted by federal law, except if
18 such plan is used to establish a medical savings account or an Archer
19 MSA pursuant to Section 220 of the Internal Revenue Code of 1986, or
20 any subsequent corresponding internal revenue code of the United
21 States, as amended from time to time, or a health savings account
22 pursuant to Section 223 of said Internal Revenue Code, as amended
23 from time to time, the provisions of this section shall apply to such plan
24 to the maximum extent that (1) is permitted by federal law, and (2) does
25 not disqualify such account for the deduction allowed under said
26 Section 220 or 223, as applicable.

27 Sec. 2. (NEW) (*Effective January 1, 2023*) (a) For the purposes of this
28 section, unless the context otherwise requires or a different meaning is
29 specifically prescribed, "high deductible health plan" has the same
30 meaning as provided in subsection (f) of section 38a-520 of the general
31 statutes.

32 (b) No group health insurance policy that is a high deductible health
33 plan, provides coverage of the type specified in subdivisions (1), (2), (4),
34 (11) and (12) of section 38a-469 of the general statutes, and is delivered,
35 issued for delivery, renewed, amended or continued in this state on or
36 after January 1, 2023, shall impose an annual deductible in an amount
37 that is greater than the minimum amount necessary for such policy to
38 qualify as a high deductible health plan pursuant to Section 220 or 223
39 of the Internal Revenue Code of 1986, or any subsequent corresponding
40 internal revenue code of the United States, as amended from time to
41 time, as applicable.

42 (c) The provisions of this section shall apply to a high deductible
43 health plan to the maximum extent permitted by federal law, except if
44 such plan is used to establish a medical savings account or an Archer
45 MSA pursuant to Section 220 of the Internal Revenue Code of 1986, or
46 any subsequent corresponding internal revenue code of the United
47 States, as amended from time to time, or a health savings account
48 pursuant to Section 223 of said Internal Revenue Code, as amended

49 from time to time, the provisions of this section shall apply to such plan
50 to the maximum extent that (1) is permitted by federal law, and (2) does
51 not disqualify such account for the deduction allowed under said
52 Section 220 or 223, as applicable.

53 Sec. 3. (NEW) (*Effective January 1, 2023*) (a) For the purposes of this
54 section:

55 (1) "Employee" has the same meaning as provided in subsection (a)
56 of section 38a-531 of the general statutes;

57 (2) "Employer" has the same meaning as provided in subsection (a) of
58 section 38a-531 of the general statutes;

59 (3) "Health savings account disclosure" means a paper or electronic
60 document setting forth (A) the availability of a medical savings account
61 or an Archer MSA pursuant to Section 220 of the Internal Revenue Code
62 of 1986, or any subsequent corresponding internal revenue code of the
63 United States, as amended from time to time, or a health savings account
64 pursuant to Section 223 of said Internal Revenue Code, as amended
65 from time to time, as applicable, and (B) how to enroll in such medical
66 savings account, Archer MSA or health savings account, as applicable;
67 and

68 (4) "High deductible health plan" has the same meaning as provided
69 in subsection (f) of section 38a-520 of the general statutes.

70 (b) Each employer that offers to its employees a high deductible
71 health plan shall annually provide to its employees a health savings
72 account disclosure not later than the first day of the enrollment period
73 for such policy.

74 Sec. 4. Section 38a-1 of the 2022 supplement to the general statutes is
75 repealed and the following is substituted in lieu thereof (*Effective January*
76 *1, 2023*):

77 Terms used in this title and section 5 of this act, unless it appears from
78 the context to the contrary, shall have a scope and meaning as set forth

79 in this section.

80 (1) "Affiliate" or "affiliated" means a person that directly, or indirectly
81 through one or more intermediaries, controls, is controlled by or is
82 under common control with another person.

83 (2) "Alien insurer" means any insurer that has been chartered by or
84 organized or constituted within or under the laws of any jurisdiction or
85 country without the United States.

86 (3) "Annuities" means all agreements to make periodical payments
87 where the making or continuance of all or some of the series of the
88 payments, or the amount of the payment, is dependent upon the
89 continuance of human life or is for a specified term of years. This
90 definition does not apply to payments made under a policy of life
91 insurance.

92 (4) "Commissioner" means the Insurance Commissioner.

93 (5) "Control", "controlled by" or "under common control with" means
94 the possession, direct or indirect, of the power to direct or cause the
95 direction of the management and policies of a person, whether through
96 the ownership of voting securities, by contract other than a commercial
97 contract for goods or nonmanagement services, or otherwise, unless the
98 power is the result of an official position with the person.

99 (6) "Domestic insurer" means any insurer that has been chartered by,
100 incorporated, organized or constituted within or under the laws of this
101 state.

102 (7) "Domestic surplus lines insurer" means any domestic insurer that
103 has been authorized by the commissioner to write surplus lines
104 insurance.

105 (8) "Foreign country" means any jurisdiction not in any state, district
106 or territory of the United States.

107 (9) "Foreign insurer" means any insurer that has been chartered by or

108 organized or constituted within or under the laws of another state or a
109 territory of the United States.

110 (10) "Insolvency" or "insolvent" means, for any insurer, that it is
111 unable to pay its obligations when they are due, or when its admitted
112 assets do not exceed its liabilities plus the greater of: (A) Capital and
113 surplus required by law for its organization and continued operation;
114 or (B) the total par or stated value of its authorized and issued capital
115 stock. For purposes of this subdivision "liabilities" shall include but not
116 be limited to reserves required by statute or by regulations adopted by
117 the commissioner in accordance with the provisions of chapter 54 or
118 specific requirements imposed by the commissioner upon a subject
119 company at the time of admission or subsequent thereto.

120 (11) "Insurance" means any agreement to pay a sum of money,
121 provide services or any other thing of value on the happening of a
122 particular event or contingency or to provide indemnity for loss in
123 respect to a specified subject by specified perils in return for a
124 consideration. In any contract of insurance, an insured shall have an
125 interest which is subject to a risk of loss through destruction or
126 impairment of that interest, which risk is assumed by the insurer and
127 such assumption shall be part of a general scheme to distribute losses
128 among a large group of persons bearing similar risks in return for a
129 ratable contribution or other consideration.

130 (12) "Insurer" or "insurance company" includes any person or
131 combination of persons doing any kind or form of insurance business
132 other than a fraternal benefit society, and shall include a receiver of any
133 insurer when the context reasonably permits.

134 (13) "Insured" means a person to whom or for whose benefit an
135 insurer makes a promise in an insurance policy. The term includes
136 policyholders, subscribers, members and beneficiaries. This definition
137 applies only to the provisions of this title and does not define the
138 meaning of this word as used in insurance policies or certificates.

139 (14) "Life insurance" means insurance on human lives and insurances

140 pertaining to or connected with human life. The business of life
141 insurance includes granting endowment benefits, granting additional
142 benefits in the event of death by accident or accidental means, granting
143 additional benefits in the event of the total and permanent disability of
144 the insured, and providing optional methods of settlement of proceeds.
145 Life insurance includes burial contracts to the extent provided by
146 section 38a-464.

147 (15) "Mutual insurer" means any insurer without capital stock, the
148 managing directors or officers of which are elected by its members.

149 (16) "Person" means an individual, a corporation, a partnership, a
150 limited liability company, an association, a joint stock company, a
151 business trust, an unincorporated organization or other legal entity.

152 (17) "Policy" means any document, including attached endorsements
153 and riders, purporting to be an enforceable contract, which
154 memorializes in writing some or all of the terms of an insurance
155 contract.

156 (18) "State" means any state, district, or territory of the United States.

157 (19) "Subsidiary" of a specified person means an affiliate controlled
158 by the person directly, or indirectly through one or more intermediaries.

159 (20) "Unauthorized insurer" or "nonadmitted insurer" means an
160 insurer that has not been granted a certificate of authority by the
161 commissioner to transact the business of insurance in this state or an
162 insurer transacting business not authorized by a valid certificate.

163 (21) "United States" means the United States of America, its territories
164 and possessions, the Commonwealth of Puerto Rico and the District of
165 Columbia.

166 Sec. 5. (NEW) (*Effective January 1, 2023*) (a) For the purposes of this
167 section:

168 (1) "Health carrier" has the same meaning as provided in section 38a-

169 1080 of the general statutes;

170 (2) "High deductible health plan" has the same meaning as that term
171 is used in subsection (f) of section 38a-493 of the general statutes and
172 subsection (f) of section 38a-520 of the general statutes; and

173 (3) "Qualified high deductible health plan" means a high deductible
174 health plan that imposes an annual deductible that is not less than the
175 minimum amount necessary for the high deductible health plan to
176 qualify as a high deductible health plan, regardless of whether the high
177 deductible health plan (A) is used to establish a medical savings account
178 or an Archer MSA pursuant to Section 220 of the Internal Revenue Code
179 of 1986, or any subsequent corresponding internal revenue code of the
180 United States, as amended from time to time, or a health savings account
181 pursuant to Section 223 of said Internal Revenue Code, as amended
182 from time to time, or (B) caps annual out-of-pocket expenses in the
183 amount specified by the Internal Revenue Service, or any successor
184 agency, for high deductible health plans.

185 (b) Notwithstanding any provision of the general statutes, each
186 health carrier that delivers, issues for delivery, renews, amends or
187 continues a qualified high deductible health plan in this state on or after
188 January 1, 2023, shall apply the annual deductible for such qualified
189 high deductible health plan on a calendar year basis.

190 (c) The provisions of subsection (b) of this section shall apply to a
191 qualified high deductible health plan to the maximum extent permitted
192 by federal law, except if the qualified high deductible health plan is used
193 to establish a medical savings account or an Archer MSA pursuant to
194 Section 220 of the Internal Revenue Code of 1986, or any subsequent
195 corresponding internal revenue code of the United States, as amended
196 from time to time, or a health savings account pursuant to Section 223
197 of said Internal Revenue Code, as amended from time to time, the
198 provisions of said subsection shall apply to such plan to the maximum
199 extent that (1) is permitted by federal law, and (2) does not disqualify
200 such account for the deduction allowed under said Section 220 or 223,

201 as applicable.

202 (d) The commissioner may adopt regulations, in accordance with the
203 provisions of chapter 54 of the general statutes, to implement the
204 provisions of this section.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>January 1, 2023</i> | New section |
| Sec. 2 | <i>January 1, 2023</i> | New section |
| Sec. 3 | <i>January 1, 2023</i> | New section |
| Sec. 4 | <i>January 1, 2023</i> | 38a-1 |
| Sec. 5 | <i>January 1, 2023</i> | New section |

Statement of Purpose:

To (1) limit deductibles of certain health insurance policies; (2) require health savings account disclosures; and (3) require certain high deductible health plans to apply annual deductibles on a calendar year basis.

[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.]