



General Assembly

February Session, 2020

***Raised Bill No. 347***

LCO No. 2009



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.***

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

1 Section 1. Section 38a-477c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2021*):

3 (a) For the purposes of this section:

4 (1) "Federal medical loss ratio" has the same meaning as provided in,  
5 and shall be calculated in accordance with, the Patient Protection and  
6 Affordable Care Act, P.L. 111-148, as amended from time to time, and  
7 regulations adopted thereunder.

8 (2) "Group health insurance policy" means each group health  
9 insurance policy for a small employer, as defined in section 38a-564,  
10 delivered, issued for delivery, renewed, amended or continued in this  
11 state providing coverage of the type specified in subdivisions (1), (2),  
12 (4), (11) and (12) of section 38a-469.

13 (3) "Individual health insurance policy" means each individual health

14 insurance policy delivered, issued for delivery, renewed, amended or  
15 continued in this state providing coverage of the type specified in  
16 subdivisions (1), (2), (4), (11) and (12) of section 38a-469.

17 (4) "State medical loss ratio" means the ratio of incurred claims to  
18 earned premiums for the prior calendar year for individual health  
19 insurance policies and group health insurance policies. Claims shall be  
20 limited to medical expenses for services and supplies provided to  
21 enrollees or insureds and shall not include expenses for stop-loss  
22 coverage, reinsurance, insured or enrollee educational programs or  
23 other cost containment programs or features.

24 (b) (1) Except as provided in subdivision (2) of this subsection:

25 (A) Each individual health insurance policy shall have a state medical  
26 loss ratio of not less than eighty per cent;

27 (B) Each group health insurance policy shall have a state medical loss  
28 ratio of not less than eighty-five per cent; and

29 (C) If an individual or group health insurance policy does not meet  
30 the applicable state medical loss ratio in subparagraph (A) or (B) of this  
31 subdivision during any period for which premium payment has been  
32 made, the insurer or health care center delivering, issuing, renewing,  
33 amending or continuing such policy shall pay a rebate to each insured,  
34 subscriber or enrollee under such policy in an amount equal to any  
35 overpayment by such insured, subscriber or enrollee that is attributable  
36 to the failure to meet the applicable state medical loss ratio.

37 (2) The provisions of subdivision (1) of this subsection shall not apply  
38 to an individual health insurance policy or a group health insurance  
39 policy unless the federal medical loss ratio that applies to such policy is  
40 repealed or rendered ineffective by operation of law.

41 (c) An insurer or health care center shall include a written notice with  
42 each application for individual or group health insurance coverage that  
43 discloses such insurer's or health care center's state medical loss ratio

44 and federal medical loss ratio, [as both terms are defined in section 38a-  
45 478l,] as reported in the last Consumer Report Card on Health Insurance  
46 Carriers in Connecticut, to an applicant at the time of application for  
47 coverage.

48 (d) The commissioner shall adopt regulations, in accordance with  
49 chapter 54, to implement the provisions of this section.

50 Sec. 2. Subsection (b) of section 38a-478l of the general statutes is  
51 repealed and the following is substituted in lieu thereof (*Effective January*  
52 *1, 2021*):

53 (b) (1) The consumer report card shall be known as the "Consumer  
54 Report Card on Health Insurance Carriers in Connecticut" and shall  
55 include (A) all health care centers licensed pursuant to chapter 698a, (B)  
56 the fifteen largest licensed health insurers that use provider networks  
57 and that are not included in subparagraph (A) of this subdivision, (C)  
58 the state medical loss ratio of each such health care center or licensed  
59 health insurer, (D) the federal medical loss ratio of each such health care  
60 center or licensed health insurer, (E) the information required under  
61 subdivision (6) of subsection (a) of section 38a-478c, and (F) information  
62 concerning mental health services, as specified in subsection (c) of this  
63 section. The insurers selected pursuant to subparagraph (B) of this  
64 subdivision shall be selected on the basis of Connecticut direct written  
65 health premiums from such network plans.

66 (2) For the purposes of this section and sections [38a-477c,] 38a-478c  
67 and 38a-478g:

68 (A) "State medical loss ratio" means the ratio of incurred claims to  
69 earned premiums for the prior calendar year for managed care plans  
70 issued in the state. Claims shall be limited to medical expenses for  
71 services and supplies provided to enrollees and shall not include  
72 expenses for stop loss coverage, reinsurance, enrollee educational  
73 programs or other cost containment programs or features;

74 (B) "Federal medical loss ratio" has the same meaning as provided in,

75 and shall be calculated in accordance with, the Patient Protection and  
76 Affordable Care Act, P.L. 111-148, as amended from time to time, and  
77 regulations adopted thereunder.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2021</i>	38a-477c
Sec. 2	<i>January 1, 2021</i>	38a-478l(b)

**Statement of Purpose:**

To establish state medical loss ratios for individual health insurance policies and group health insurance policies for small employers that will become effective if the federal medical loss ratios for such policies are repealed or rendered ineffective by operation of law.

*[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.]*