

# Connecticut

Connecticut Department of Insurance  
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## Summary of Important Regulations

MEWA Regulations .....	No
TPA Regulations .....	No
Stop-Loss Regulations .....	Yes <sup>1</sup>
UR Regulations .....	Yes <sup>2</sup>

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	Conn. Admin. Code tit. 38a §§ 78-11 to 78-16	None
Comprehensive Health Ins. Cost Containment Model Net	None	Conn. Gen. Stat. §§ 38a-551 to 38a-559
Standardized Health Claims Form Model Regulation	None	Conn. Gen. Stat. P.A. 93-109
Small Employer Health Ins. Availability Model Law	None	Conn. Gen. Stat. §§ 38a-564 to 38a-574
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	None
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	None
Stop-loss Insurance Model Law Connecticut	None	Bulletin PC-7-90;

PC-11-90

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	Conn. Gen. Stat. §§ 38a-532 to 38a-545
Group Health Insurance Mandatory Conversion Law	None	None
Group Coverage Discontinuance/ Replacement Model Regulation	Conn. Admin. Code tit. 38a §§ 546(b)-1 to 546(b)-6	Conn. Gen. Stat. §§ 38a-537
Premium Rates and Renewability of Coverage-Small Groups	None	Conn. Gen. Stat. §§ 38a-564 to 38a-573
Group Coordination of Benefits Model Law	Conn. Admin. Code tit. 38a §§ 480-1 to 480-7	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Conn. Gen. Stat. §§ 38a-492b, 38a-518b
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Conn. Gen. Stat. § 38a-533
Model Newborn Children's Law	Conn. Gen. Stat. § 38a-490	None
Health Examination Benefits Connecticut	None	Conn. Gen. Stat.

Availability Law

§ 38a-535

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	Conn. Gen. Stat. §§ 38a-505	None
Agents and Brokers Licensing Model Law	None	Conn. Gen. Stat. §§ 38a-702 to 38a-718
MEWA Licensing Model Law	Conn. Admin. Code tit. 38a §§ 272-1 to 272-10	Bulletin HC-32
Managing General Agents Law	Conn. Gen. Stat. §§ 38a-90 to 38a-90h	Bulletin No. FS-17
Health Maintenance Organization Model Law	None	Conn. Gen. Stat. §§ 33-179a to 33-179t
Insurance Information and Privacy Protection Law	Conn. Gen. Stat. §§ 38a-975 to 38a-998	None
Unfair Trade Practices Law	Conn. Gen. Stat. §§ 38a-815 to 38a-819	Conn. Stat. §§ 38a-824 to 38a-831
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Conn. Gen. Stat. § 38a-816(13)	None

## NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Conn. Gen. Stat. § 38a-816(18)
Unfair Claims Settlement Practices Law	Conn. Gen. Stat. § 38a-816	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

## State-Mandates

### **Benefits That Must Be Covered**

- Alcoholism treatment
- Ambulance transportation
- Breast reconstruction
- Cervical cancer screening (pap smear)
- Clinical trials (cancer)
- Colorectal cancer screening
- Contraceptives
- Dental anesthesia
- Diabetic supplies, education
- Drug abuse treatment
- Emergency services
- Formula for PKU
- Hearing aids (limited coverage, for children under 12 only)
- Home health care
- Lyme disease
- Mammography screening
- Mental health, general
- Mental health, parity
- Minimum mastectomy stays
- Minimum maternity stays
- Off-label drug use
- Orthotics or prosthetics
- Prostate cancer screening
- Well-child care

### **Benefits That Must Be Offered**

- Infertility services and/or in vitro fertilization
- Rehabilitation services

### **Persons Who Must Be Allowed Coverage**

- Adopted children
- Continuation/dependents
- Continuation/employees
- Dependent students
- Handicapped dependents
- Newborns

- Non-custodial children

**Providers Who Must Be Covered**

- Chiropractors
- Dentists
- Naturopath
- Nurse Midwives
- Nurse Practitioners
- Nurse Psychiatric
- Occupational Therapists
- Optometrists
- Physical Therapists
- Physician Assistants
- Professional Counselors
- Psychologists
- Social Workers
- Speech/Hearing Therapists

**Coordination of Benefits**

- |                            |     |
|----------------------------|-----|
| • Birthday Rule?           | Yes |
| • Divorced/Separated Rule? | Yes |
| • Joint Custody Rule?      | No  |
| • Active v. Inactive Rule? | Yes |
| • Longer v. Shorter Rule?  | Yes |
| • Managed Care Rule?       | No  |
| • COBRA Rule?              | No  |
| • Preservation Rule?       | Yes |

**Continuation or Conversion**

Required

**Patient's Bill of Rights Legislation**

None

**High Risk Health Pool**

Yes - capped at 125-150%

**External Grievance System**

Yes - for all plans

**Basis of Filing Grievance**

Investigational treatment appeals and medical necessity

Status of Decision of Grievance Parol  
Binding in both parties

**Prompt Payment of Health Claim Requirement**

Yes - 45 days

**Alcohol and Drug Treatment**<sup>3</sup>

Alcohol or controlled drugs: 45 days of inpatient/12 months and outpatient treatment for alcoholism; coverage for *accidental ingestion of controlled drugs* 30 days of inpatient/tear and \$500/year for outpatient treatment. Mandatory.

**Mental Health Coverage**<sup>4</sup>

Sixty days/year inpatient, 120 sessions partial hospitalization, can exchange based on cost; 50% copayment for outpatient; \$2,000 maximum benefit/year outpatient and \$2,000 inpatient; services reimbursed for licensed psychologist, master of social work, doctor, or psychiatrist; community mental health center acceptable. Mandatory.

**Other Mandated Benefits**

- Expenses of emergency medical care arising from accidental ingestion or consumption of a controlled drug, for at least 30 days in a year if confined as an inpatient in a hospital, or a maximum of \$500 incurred while other than as a patient in a hospital.
- Coverage for expenses incurred for comprehensive rehabilitation services, under such terms or conditions as agreed upon by the policyholder and the insurer, offered as a mandatory option by the insurance company or medical service corporation.
- Coverage for occupational therapy provided in a private or health care facility or in a partial hospitalization program on an exchange basis, where the policy provides coverage for expenses incurred for physical therapy.
- Coverage for emergency ambulance services for persons covered by the policy or contract.
- Coverage of at least a yearly benefit of \$500 for surgical removal of tumors, \$500 for reconstructive surgery, \$500 for outpatient chemotherapy, and \$200 for prosthesis.
- For treatment of leukemia, including outpatient chemotherapy, reconstructive surgery, and the cost of any non-dental prosthesis, where the policy or plan provides coverage for the surgical removal of tumors.
- Benefits for preventive pediatric care for a child covered by the policy or contract, at approximately the following age intervals: every two months from birth to six months of age, every three months from nine to 18 months of age, and annually from two to six years of age. The policy may provide that the services are covered only to the extent that they are provided by, or under the supervision of, a single physicians during the course of one visit, and benefits are subject to any other policy or contract provisions applying to all services covered by the policy or contract.
- Mammographic examinations, including at least a baseline mammogram for any woman 35 to 39 years of age; a mammogram every two years for a woman 40 to 49 years of age, or more frequently if recommended by her physician; and a mammogram every year for any woman 50 years of age or older. These benefits are subject to any policy or contract provisions that apply to other covered services.

- Medically necessary expenses in diagnosing and treating infertility, including in vitro fertilization procedures. The coverage must be offered to an employer providing group hospital or medical insurance coverage for its employees. *Infertility* is defined as the condition of a presumably healthy individual who is unable to conceive or produce conception, or retain a pregnancy during a one-year period.
- Where an employer with 25 or more employees during the preceding calendar year contributes to a group health insurance plan or hospital or medical service plan for its employees or members that restricts reimbursement to a limited number of specified provider for dental services, such employer must offer the employees the option of selecting alternative coverage permitting the choice of dental services from any licensed dentist of choice, at the time that the dental benefits plan is offered or renewed.
- A fully insured group health insurance policy that provides benefits for the services of a licensed physician or psychologist also must provide benefits for the same services when rendered by a Connecticut certified marriage and family therapist.
- A child whose illness may trigger a right to leave includes a foster child, stepchild or legal ward, as well as a natural or adopted child.

## MEWA Regulation

Connecticut attempts to keep MEWAs from operating in the state holding such to be unauthorized insurers. A bulletin<sup>5</sup> issued by Connecticut makes it amply clear that MEWAs are *renegade* unlicensed insurers and that any broker so involved will be treated accordingly. If the MEWA is able to bring forth a ruling from the Department of Labor that it is an ERISA plan, such MEWA will be exempted.

## TPA Regulations

At one time, Connecticut had a TPA regulation statute, but it was repealed April 10, 1991.

## Stop-Loss Regulation

Connecticut requires a \$6,500 minimum specific by department *position*. Connecticut believes no ERISA violation exists as within the state's right to impose such regulations pursuant to its authority to regulate insurance.

Stop-loss agreements must be filed for approval.

## Utilization Review Regulations

Agency Responsible <sup>6</sup> .....	Dept. of Insurance
Requirements .....	Licensure-Certification
Exemptions .....	None
Waivers .....	If entity is licensed by any UR accreditation organization

## Miscellaneous

### **State Premium Taxes**

Commercial insurers are taxed at 1.75% of net direct premium; Blue Cross at 2% of net direct premium; HMO at 1.75% of direct premium.

### **Small Group Reform**<sup>7</sup>

Insurers offering group health insurance plans covering eligible employees of one or more small employers must offer small employers a special health care plan. The coverage is limited to a basic hospital plan, basic surgical plan, major medical plan written in conjunction with a basic hospital plan or basic surgical plan, a comprehensive plan, and a plan with benefits at cost sharing levels consistent with the basic method of operation and benefit plan of health care centers. The form and level of special health care plans will be established by the board of directors of the Connecticut small employer health reinsurance pool, subject to the approval of the Insurance Commissioner.

The special health care plans will be available to employers who employ no more than 25 eligible employees. The majority of Connecticut employers have fewer than 25 employees.

The small employer carriers must offer special health care plans within 90 days after the approval by the Commissioner of Insurance of the special health care plans submitted by the board. Every small employer electing to be covered under the small employer health care plan must agree to make the required premium payments and satisfy the other provisions of the plan.

### **Continuation of Coverage and Conversion of Benefits**

Connecticut law mandates continued coverage under group health plans for up to 78 weeks for participants and covered dependents who lose eligibility under the plan for any reason. Individuals and dependents who would have lost coverage due to employment termination for any reason, except death, must be allowed to continue coverage for 78 weeks.

## Endnotes

<sup>1</sup> Conn. Ins. Dept. Bulletins § PC-7-90 and PC-11-90.

<sup>2</sup> Conn. Gen. Stat. § 38A-226a *et seq.*

<sup>3</sup> Conn. Gen. Stat. §§ 33-174, 38-252b and 38-262F.

<sup>4</sup> Conn. Gen. Stat. § 38-174d.

<sup>5</sup> Conn. Ins. Dept. § HC-43.

<sup>6</sup> See N. 1.

<sup>7</sup> Conn. Gen. Stat. §§ 38-564 to 38a-573.