

Legislative History for Connecticut Act

HB 5326	PA 407	1986
House	799-800, 2537-2548, 3686-3712, 8272-8284	(54)
Senate	2704-2710, 2799	(8)
Insurance	21-27, 60	(8)
		Total 70p.

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
and House of Representatives Proceedings

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

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House of Representatives Tuesday, March 25, 1986

PROCEDURES FOR PRIVATELY OPERATED COMMUNITY RESIDENCES  
FOR MENTALLY RETARDED PERSONS.

On page 11, Calendar No. 105, Bill No. 5898, File  
No. 97, AN ACT CONCERNING A STUDY OF STATE BOARD AND  
CARE RESPONSIBILITIES FOR DISABLED PERSONS RESIDING IN  
GROUP HOMES.

On page 12, Calendar No. 109, Bill No. 5917, File  
No. 101, AN ACT REPEALING THE LAW REQUIRING REGULATIONS  
CONCERNING VEHICLES USING LIQUID PROPANE GAS AS FUEL.

Calendar No. 112, Bill No. 5928, File No. 110,  
AN ACT CONCERNING THE REGULATION OF THE SEWER DIVISION  
OF THE RIDGEWOOD PARK COMPANY BY THE DEPARTMENT OF PUBLIC  
UTILITY CONTROL.

Thank you.

DEPUTY SPEAKER BELDEN:

The items as read be placed on the Consent Calendar  
for action tomorrow.

CLERK:

Page 7, Calendar No. 86, House Bill 5326, AN ACT  
CONCERNING TIME FOR PAYMENT OF ACCIDENT AND HEALTH  
INSURANCE CLAIMS. Favorable report of the Committee on  
Insurance and Real Estate.

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Tuesday, March 25, 1986

REP. JAEKLE: (122nd)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. May this item be referred to the Committee on Judiciary please.

DEPUTY SPEAKER BELDEN:

The motion is to refer Calendar 86, House Bill 5326, to the Committee on Judiciary. Is there objection?

Hearing none, so ordered.

REP. JAEKLE: (122nd)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. At this time, I would like to move that all double starred items not acted upon today's Calendar be passed retaining their place on the Calendar.

DEPUTY SPEAKER BELDEN:

The motion is that all double starred items on

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House of Representatives

Thursday, April 17, 1986

CLERK:

House Bill No. 5946, as amended by House "A" and  
Senate "A".

Total number voting	148
Necessary for passage	75
Those voting yea	148
Those voting nay	0
Those absent and not voting	3

DEPUTY SPEAKER BELDEN:

The bill as amended is passed in concurrence  
with the Senate.

CLERK:

Matters returned from the Committee. Calendar  
No. 86, House Bill No. 5326, File No. 78, AN ACT  
CONCERNING TIME FOR PAYMENT OF ACCIDENT AND HEALTH  
INSURANCE CLAIMS. Favorable Report of the Committee on  
Judiciary.

REP. WOLLENBERG: (21st)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Wollenberg.

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REP. WOLLENBERG: (21st)

Thank you, Mr. Speaker.

DEPUTY SPEAKER BELDEN:

We are on Calendar No. 86, sir.

REP. WOLLENBERG: (21st)

I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER BELDEN:

The motion is for acceptance of the Joint Committee's Favorable Report and passage of the bill.

Will you remark, sir.

REP. WOLLENBERG: (21st)

Thank you, Mr. Speaker. Mr. Speaker this is a bill in regard to insurance where it indicates that claims should be paid within 45 days unless there is some good reason for not. And the bill spells out why they should not be, and that can be taken up, sir.

I move passage.

DEPUTY SPEAKER BELDEN:

The gentleman has moved for passage of the bill. He thinks it is a great idea. Will you remark further?

REP. HURD: (56th)

Mr. Speaker.

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DEPUTY SPEAKER BELDEN:

Rep. Robert Hurd.

REP. HURD: (56th)

Thank you, Mr. Speaker. The Clerk has an amendment. It is LCO No. 2687. And I ask that he call and read the amendment.

DEPUTY SPEAKER BELDEN:

Will the Clerk please call LCO No. 2687, call and read. It shall be designated House Amendment Schedule "A".

CLERK:

House Amendment Schedule "A", LCO No. 2687,  
offered by Reps. Vance, Hurd, and Karsky.

In line 4, before "within" insert "or to provide an explanation as to why the claim is not payable under the terms of the contract", and delete "the claimant's"

In line 5, delete "filing of" and insert in lieu thereof: "receipt by an insurer of a claim form supporting a valid"

DEPUTY SPEAKER BELDEN:

Rep. Hurd, what is your pleasure, sir.

REP. HURD: (56th)

I move adoption of the amendment, Mr. Speaker.

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DEPUTY SPEAKER BELDEN:

Will you remark, sir?

REP. HURD: (56th)

Yes, Mr. Speaker. I agree with Rep. Wollenberg. This bill will correct a problem that occurs in a few instances. The amendment will clarify the date for the 45 day clock to begin ticking and will clear up some potential for confusion and delay over that kind of a technicality. I urge passage of the amendment.

DEPUTY SPEAKER BELDEN:

Will you remark further on House "A"?

REP. RYBAK: (66th)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Rybak.

REP. RYBAK: (66th)

Thank you, Mr. Speaker. I'd like to raise a question to the proponent. His explanation was that this clarifies the day on which the clock starts to run, within which period of time the claim must be paid or the insurer will have to pay interest. I don't read it that way.

I read it as saying that this is one additional reason why the insurer may not have to pay interest. If

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the insurer can provide an explanation as to why the claim is not payable under the terms of the contract, that explanation in and of itself exempts the insurer from having to pay interest. Through you to Rep. Hurd, is that not how the amendment works? Or any other sponsors of the amendment, for that matter.

DEPUTY SPEAKER BELDEN:

Rep. Hurd, would you care to respond?

REP. HURD: (56th)

Yes, Mr. Speaker, through you. The file copy in lines 3, 4, and 5 indicates that failure to pay accident and health claims within 45 days of the claimant's filing of proof of loss. And goes on. The amendment will change that file to read failure to pay accident and health claims or to provide an explanation as to why the claim is not payable under the terms of the contract, within 45 days of receipt by an insurer of a claim form supporting a valid proof of loss and so on.

I think the concerns raised about the file copy in public hearings were that the insurer was given no opportunity to rebutt the claim, that the 45 days related to something sort of out there in neverland, the filing of the claim was that when the insurance company received

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it, was that when the claimant mailed it, those kinds of problems are addressed in the amendment.

Yes, it does give the insurer the opportunity to rebutt the claim and I think that's only fair. And it does indicate that when the insurer receives that particular claim form and so on, the 45 days begins. It does allow the insurer to either pay the claim or say the claim is not payable because. And it gives the claimant then an idea of where he stands within a reasonable time frame.

DEPUTY SPEAKER BELDEN:

Rep. Rybak, you have the floor, sir.

REP. RYBAK: (66th)

Mr. Speaker, through you to Rep. Hurd, what happens where within 45 days of the filing of the claim, the insurance carrier issues a denial letter which purports to say why the claim is not payable under the terms of the contract. They say that the charge incurred is not reasonable or customary in their opinion. Or that the surgery was not medically necessary. Or that the confinement was custodial. Many of the common exclusions in an accident and health insurance contract.

Does the mere issuance of that denial letter, which may be substantiated or may not be in and of itself

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exempt them from having to pay interest if it is subsequently determined that that denial is frivolous?

DEPUTY SPEAKER BELDEN:

Rep. Hurd, would you care to respond?

REP. HURD: (56th)

I'll try, Mr. Speaker. Through you. The file copy goes on to allow the commissioner to determine whether there is legitimate grounds for dispute in the issue and whether that dispute should be resolved in favor of the claimant or the insurer and it does deal with the question of the commissioner's involvement.

I think that where a claim has been denied and the claimant believes that his claim was valid and reasonable, he can under this go to the insurance commissioner and say, within 45 days, or at the end of 45 days, here I am, I've got a problem, I'm not getting satisfaction from my insurer. It gives him a point at which to go to the commissioner.

Under present law there is no such point and I believe under the file copy we never know when the 45 days end. What happens in many cases is that the insurer can bounce the thing around. I've talked with a constituent recently who is still trying to get an answer to an

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insurance claim because there are two carriers involved. And there is no time frame at all under present statute.

DEPUTY SPEAKER BELDEN:

Rep. Rybak, you have the floor, sir.

REP. RYBAK: (66th)

Thank you, Mr. Speaker. Thank you, Rep. Hurd.

I appreciate the Representative's concern. It can easily happen, even where there is only one carrier, let alone two or three in coordination of benefits comes into play. But I think the amendment creates the situation wherein an insurance carrier can issue a pro forma denial letter. And recognize today that a denial letter may be nothing more than a computer print-out from their benefits paying agency that says see code a, why that particular charge was not paid or not paid in full. And you turn it over and you find out that code a means not reasonable and customary. Or that code b means custodial confinement, not medically necessary.

That's it. You don't even get a typewritten letter any more. You get a code a or a code b denial. And that that computer printout, that voucher, in and of itself, prevents any further recovery under here. The fact that they were able to say we denied it for this reason, exempts them from ever having to pay interest

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if it turns out later that it should have been paid. That's what bothers me about this amendment. I think it creates the monster which it is designed to solve.

The other part of the amendment I have no problem with. It says that the 45 days runs when it is--the claim has been received by the insurer. I have no problem with tying it either to the postmark date or the date of receipt, that's not the problem. You can solve the issue of when the 45 days runs by fixing it at that point in time. But I am very concerned about the language that appears on lines 21, 22 and 23 of the amendment. I think it creates a nightmare rather than solving one. I think the amendment should be defeated. If there is further problem, then PT the bill and come up with a correct amendment.

And I'm going to ask for a roll call amendment in view of the attendance in the Chamber, Mr. Speaker.

DEPUTY SPEAKER BELDEN:

The gentleman has requested that when the vote be taken on House "A", it be taken by roll. I would try your minds. All in favor of a roll call vote on House Amendment "A", please indicate by saying aye.

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REPRESENTATIVES:

Aye.

DEPUTY SPEAKER BELDEN:

An appropriate number of representatives have responded. A roll call will be ordered at the appropriate time. Will you remark further on House "A"?

REP. FRANKEL: (121st)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Frankel.

REP. FRANKEL: (121st)

Yes, Mr. Speaker. What Rep. Rybak says, I believe, is right on target. The idea was that you had to pay within 45 days unless you had a legitimate dispute. But the amendment guts it. Now all the insurance company does is they send everybody the same letter. It says "not covered under terms of policy". That's all you have to do. Send that letter out and you have escaped the bill. You have escaped the penalty. You are out.

And I think we wanted for there to be some oversight by the commissioner that there was a legitimate dispute and to have a letter that says merely not covered under terms of policy, that's all you need with the amendment, to buy out of this bill. You want to gut the

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bill, you want to turn it into a zero, go with the amendment.

But if you want some teeth, go with the file copy. And defeat the amendment.

DEPUTY SPEAKER BELDEN:

Will you remark further on House "A"? If not, staff and guests please come to the well of the House. An immediate roll call is ordered. The Clerk will please announce that a roll call is in progress.

CLERK:

The House of Representatives is now voting by roll. All members please return to the Chamber immediately. The House of Representatives is now voting by roll. All members please return to the Chamber immediately.

DEPUTY SPEAKER BELDEN:

Have all the members voted? Please check the board to determine if your vote is properly recorded. The machine will be locked; Clerk will take a tally.

Clerk please announce the tally.

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CLERK:

House Bill No. 5326, House Amendment Schedule "A".

Total number voting	150
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Necessary for adoption	76
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Those voting yea	8
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Those voting nay	142
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Those absent and not voting	1
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DEPUTY SPEAKER BELDEN:

House "A" fails. Will you remark further on the bill?

REP. JAECKLE: (122nd)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Jaeckle.

REP. JAECKLE: (122nd)

Mr. Speaker, with the close vote on that amendment, I'd like to ask that this item be passed retaining its place on the Calendar.

DEPUTY SPEAKER BELDEN:

The motion is to pass Calendar No. 86, House Bill No. 5326, retaining its place on the Calendar. Is there objection? Hearing none, so ordered.

At this time the Chair would like to name the

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SPEAKER VAN NORSTRAND:

The motion to accept the report of the Committee on Conference is accepted. The bill is passed.

CLERK:

Page 26, Matters Returned from Committee, Calendar No. 86, House Bill No. 5326, File No. 78, AN ACT CONCERNING TIME FOR PAYMENT OF ACCIDENT AND HEALTH INSURANCE CLAIMS. Favorable Report of the Committee on Judiciary.

REP. HURD: (56th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Robert Hurd.

REP. HURD: (56th)

Thank you, Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER VAN NORSTRAND:

The question is on acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you remark, Sir?

REP. HURD: (56th)

Yes, thank you, Mr. Speaker. This bill was before us last week, I believe. We offered an amendment. It turned out the amendment wasn't as fine a piece of work as I thought it was and we passed the bill so we could

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redraw the amendment to wit I'd like to ask the Clerk to call LCO 3502 and read it.

SPEAKER VAN NORSTRAND:

Will the Clerk please call and read LCO No. 3502, designated House Amendment Schedule "B"?

CLERK:

Calendar No. 86, LCO 3502 offered by Rep. Vance, Rep. Hurd, Rep. Karsky.

In line 4, delete "the claimants".

In line 5, delete "filing of" and insert in lieu thereof "received by an insurer of a claim form supporting a valid".

SPEAKER VAN NORSTRAND:

The amendment is in your possession, Sir. Your pleasure.

REP. HURD: (56th)

I move adoption of the amendment, Mr. Speaker.

SPEAKER VAN NORSTRAND:

The question is on adoption. Will you remark?

REP. HURD: (56th)

Yes, Mr. Speaker. Briefly, this amendment does what I hope the other amendment would do. It institutes a point at which the clock begins ticking, that point being the date when the insurer receives the claim form

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which supports a valid claim. I urge the body to adopt the amendment without much debate.

SPEAKER VAN NORSTRAND:

The question is on adoption. Will you remark?

REP. FRANKEL: (121st)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Frankel.

REP. FRANKEL: (121st)

Mr. Speaker, I support the idea that the time runs from the receipt of the form, but once again, I think we have an amendment that is defective. It is not merely the receipt of the form, but it is the receipt of a valid claim. If the claim is invalid, the clock makes no difference.

I think the problem with the amendment is that all of those provisions that we are trying to bring to bear are of no consequence unless a claim is valid and it's sort of prejudging the whole thing. If you want to make it clear that the 45 days runs from the time of receipt, I have an amendment that will do that and if you want to gut the bill again, or if you want to entertain an amendment which would gut the bill again, then support the amendment before you.

I suggest that you reject this amendment and I will

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offer an amendment which will make it clear that the 45 days runs from the time that the form is received by the Insurance Commissioner, but the use of the phrase in line 24, receipt by an insurer of a claim form supporting a valid claim, once again, I believe cuts the legs out from under this file and I would respectfully urge the Chamber to reject LCO 3502 and if they are desirous as I am of making the clock run from the time of receipt, I would offer an amendment for that purpose.

SPEAKER VAN NORSTRAND:

Will you remark further on the adoption of House Amendment Schedule "B"?

REP. HURD: (56th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

I don't want to belabor this issue. I've just received a copy of the amendment to which Rep. Frankel refers. It does appear to do exactly what he says it will do on a quick reading. I will withdraw my amendment and allow him to offer his.

SPEAKER VAN NORSTRAND:

House Amendment Schedule "B", the gentleman has

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moved to withdraw the amendment. Is there objection?

House Amendment Schedule "B" is withdrawn. This has become a bill that is very difficult to amend. Do you wish to assay that task?

REP. FRANKEL: (121st)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Frankel.

REP. FRANKEL: (121st)

The Clerk has an amendment, LCO No. 2961. I would ask the Clerk to please call and read the amendment.

SPEAKER VAN NORSTRAND:

Will the Clerk please call LCO No 2961, designated House Amendment Schedule "C".

CLERK:

House Amendment Schedule "C", LCO 2961 offered by Rep. Cibes and Rep. Frankel.

In line 4, before "the" insert "receipt by an insurer of".

In line 5, delete "filing of" and after "loss" insert "form".

SPEAKER VAN NORSTRAND:

Rep. Frankel, the amendment is in your possession, Sir, your pleasure.

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REP. FRANKEL: (121st)

I move adoption, Mr. Speaker.

SPEAKER VAN NORSTRAND:

The question is on adoption. Will you remark?

REP. FRANKEL: (121st)

As the speaker indicated very briefly, this does precisely what the other amendment intended to do and make the clock run from 45 days of the receipt of the form by the commissioner without any prejudgment as to whether the claim is valid or not and I think it will clarify the intent of the bill and I would urge adoption.

SPEAKER VAN NORSTRAND:

The question is on adoption of House Amendment Schedule "C". Will you remark?

REP. HURD: (56th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

I agree wholeheartedly with Rep. Frankel. I urge adoption of the amendment.

SPEAKER VAN NORSTRAND:

The question is on adoption. Will you remark?

If not, all in favor indicate by saying aye.

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REPRESENTATIVES:

Aye.

SPEAKER VAN NORSTRAND:

All opposed indicate by saying nay.

The ayes have it. House Amendment Schedule "C"  
is adopted and ruled technical.

Will you remark further on the bill as amended by  
House Amendment Schedule "C"?

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Richard Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, the Clerk has an amendment, LCO 3418.

SPEAKER VAN NORSTRAND:

Will the Clerk please call LCO No. 3418, designated  
House Amendment Schedule "C",

CLERK:

House Amendment Schedule "D", LCO 3418 offered by  
Rep. Tulisano.

REP. TULISANO: (29th)

Permission to summarize, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Just for the edification of the members,

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Rep. Tulisano, before elucidating on the amendment, is yours a one page amendment?

REP. TULISANO: (29th)

No, Mr. Speaker, multiple pages.

SPEAKER VAN NORSTRAND:

There was another LCO number with your name on it, 3418, it's the same number, but a one page amendment. Is the Clerk in possession of a, what appears to be a four or five page amendment?

CLERK:

That is the one I called.

SPEAKER VAN NORSTRAND:

Thank you, designated House Amendment Schedule "D" please.

The gentleman seeks leave of the Chamber to summarize. Is there objection? Seeing none, please proceed, Sir.

REP. TULISANO: (29th)

Mr. Speaker, although this amendment is four or five pages, what it does do is it extends from 39 weeks to 52 weeks requirement for extension of group policy coverage out of divorce, one section, when someone dies in another section and when someone is laid off in the third section. I would move for its adoption.

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SPEAKER VAN NORSTRAND:

The question is on adoption of House Amendment Schedule "D". Will you remark?

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

You have the floor, Sir.

REP. TULISANO: (29th)

Mr. Speaker, as I indicated in the summary, current law requires that group policies be kept in the time of divorce for a minimum of 39 weeks. At the same time, when someone is laid off or when someone, when there is a death of a primary care individual who provided care under a health policy for 39 weeks. This would extend it to 52 weeks and make it clear the individual who seeks the extension must bear the burden of cost themselves, not the employer.

The Judiciary Committee had reported out a bill that in fact went three years. That was referred from this floor somewhere else and I think at this point in time that might have been too long to go. I think it's appropriate to go one year from now since the federal government is considering currently requiring this to be at least a two year plan. This kind of an extension has

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been supported by a number of groups in the State of Connecticut and, more importantly, what this bill does, it also includes HMO's. For some reason our current law does not include Health Maintenance Organizations and we have come across a number of cases in which even under current law the current extension has not been provided to those who are covered under HMO's because they are not stated specifically under the current statute. I think it's absolutely necessary that we give the protection to individuals involved in divorce and widows. I would move its adoption.

SPEAKER VAN NORSTRAND:

The question is on adoption of House Amendment Schedule "D". Will you remark?

REP. VANCE: (123rd)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Morag Vance.

REP. VANCE: (123rd)

Thank you, Mr. Speaker. The Committee to whom the bill you referred to was sent was the Insurance and Real Estate Committee and we did meet and there is no question we agree there is merit in the issue of looking to an extension of the availability of group insurance.

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However, when we met, we were advised that the federal government has taken action and that the President did sign legislation, I believe, April 6th or 8th. Unfortunately, I do not have the material with me today because I was not expecting this amendment. Based on the fact that the federal government has taken steps, that it has been signed into law, we felt that it was necessary for us to see the federal legislation before we adopted state legislation which possibly could be in conflict.

SPEAKER VAN NORSTRAND:

Thank you, Rep. Vance.

Will you remark further?

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, a question to Rep. Vance.

SPEAKER VAN NORSTRAND:

Please frame your inquiry, Sir.

REP. TULISANO: (29th)

Through you, Mr. Speaker, Rep. Vance, are you aware at all of what the federal requirements are as to the number

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of week's extension?

REP. VANCE: (123rd)

It is beyond the 52.

SPEAKER VAN NORSTRAND:

Through the Chair, Madam.

REP. VANCE: (123rd)

I don't have the statistics with me, but it's --.

SPEAKER VAN NORSTRAND:

Through the Chair, Madam.

REP. VANCE: (123rd)

I'm sorry. Through you, Mr. Speaker, it is in excess of the 52 and we did feel with the federal legislation we should hold here in the state.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, that being the case and I think that reflects what we intended originally when the bill came out of Judiciary, that it be three years. Through you, Mr. Speaker, another question to Rep. Vance, what harm would it be if we extend our current statutes to minimally extend them at least to some point which we know is short of what the federal requirements would be?

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SPEAKER VAN NORSTRAND:

Rep. Vance.

REP. VANCE: (123rd)

Through you, Mr. Speaker, we felt it better without having the federal legislation in front of us to see exactly what had been done in all areas, that it made sense legislatively to hold so that if necessary we could do a public hearing. We would have an opportunity to talk and we would then be able to bring our statutes into line with the federals if it is even necessary. We may not have any need to adjust our statutes if the federals override us.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, another question to Rep. Vance, does she know whether or not, is she aware of my opinion and does she concur with it that HMO's are not currently covered under Connecticut statute?

SPEAKER VAN NORSTRAND:

Rep. Vance.

REP. VANCE: (123rd)

Through you, Mr. Speaker, at this moment I cannot answer his question without the opportunity to review those

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statutes.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, for the second time.

SPEAKER VAN NORSTRAND:

You have the floor, Sir.

REP. TULISANO: (29th)

Mr. Speaker, I understand what Rep. Vance is saying, but we have, I think, a week and a half so or more to go in the General Assembly and again I thought maybe the three year statute of the feds may or may not cover us. I think it's not inappropriate at this point in time to do as much as we could and then when the federal statute comes down, look at it. I'm sure if it was appropriate that maybe we should pass this now. Now I'm willing to entertain that and immediately find out what those federal rules are because I think it is important to the citizens of the state, to the widows, the divorcees, who generally we're dealing with in this issue, to give them as much protection as possible and to conform our law with federal law if that's a requirement since it has been signed by the President and we have an opportunity still to do it I think we ought to do that. And if we're not willing to

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pass it to make it absolute conformity, we should do as much as possible and this proposal will go much further than current law, come close to federal, but not be exact and more importantly, as we get more and more groups leaving the traditional health care coverage and going to HMO's, we are beginning to find a void even under our current law and therefore they are not being covered and I think it's absolutely imperative that in fact we do extend even our current law to those individuals and accordingly, Mr. Speaker, when this vote be taken, I would ask that it be taken by roll call.

SPEAKER VAN NORSTRAND:

The gentleman from the 29th has asked that when the vote is taken on House Amendment Schedule "D" it be taken by roll. All those in agreement with that proposition indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER VAN NORSTRAND:

Apparently the 20% rule has been satisfied and when the vote is taken it will be taken by roll.

REP. DALY: (129th)

Mr. Speaker.

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SPEAKER VAN NORSTRAND:

Rep. Casey Daly.

REP. DALY: (129th)

Mr. Speaker, I rise to support this amendment. It did come out of Judiciary with the term of three years rather than 52 weeks. I, from personal experience, I am a divorced person. I have had continuous insurance coverage for only 39 weeks at my own expense. I think for anyone who is a single mother, a widow who could also be a single mother, this is very important legislation and maybe the federal government will cover us with federal law and maybe they won't, but I do feel that we should pass this amendment today. Thank you, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Thank you, Rep. Daly. Rep. Edith Prague.

REP. PRAGUE: (8th)

Mr. Speaker, through you, a question to Rep. Tulisano, please.

SPEAKER VAN NORSTRAND:

Please propound your inquiry, Ma'am.

REP. PRAGUE: (8th)

Rep. Tulisano, would your amendment cover people who come from companies that have less than 20 employees and, through you, Mr. Speaker, I ask you that, Rep. Tulisano,

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because the federal legislation is limited to companies of 20 or more employees. Therefore, if your amendment would cover everybody without any limitations, I think it's a wonderful amendment and would fill in a big hole in the federal legislation.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, my amendment extends current Connecticut law which is not limited to the size of the employer. It's a member of any group, hospital, surgical or medical insurance plan.

SPEAKER VAN NORSTRAND:

Rep. Prague.

REP. PRAGUE: (8th)

Thank you, Mr. Speaker. I think that the House needs to know that this particular amendment is really going to do a job that the federal government is not going to do and I would urge this body to pass this amendment. Thank you.

SPEAKER VAN NORSTRAND:

Will you remark further on the adoption of House Amendment Schedule "D"?

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REP. RYBAK: (66th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Michael Rybak.

REP. RYBAK: (66th)

Thank you, Mr. Speaker, briefly to Rep. Tulisano, two questions for legislative intent, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Please proceed, Sir.

REP. RYBAK: (66th)

Thank you, Mr. Speaker. Rep. Tulisano, the effective date of the file copy is October 1st. The effective date of this amendment, I presume, is also October 1st since none other has been specified. How does this come into play on October 1st? Does it apply to plans already on the books? Does it apply to people who are already under the 39 week extension who could then get 52 weeks? Could you explain exactly how this would take effect on October 1st?

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, as I understand the way the original bill was adopted and this would be the same thing, that

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this would be a grant of rights that a person may continue to buy into under that group program who is not basically a current member or an insured interest. So it would just grant that right to individuals on October 1st to continue on so it would affect people who now, if they've already expired, I would say no, but if they are in the 39th week or the 38th week, I think it would be extended to 52 for purposes of legislative intent.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

REP. RYBAK: (66th)

And my other question, Mr. Speaker, to Rep. Tulisano, I presume that this applies equally whether the group plan originates with a Connecticut employer or is issued to a group out of state and certificates are written in the state.

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Tulisano.

REP. TULISANO: (29th)

I sure hope it does do that.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

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REP. RYBAK: (66th)

Thank you, Mr. Speaker. Thank you, Rep. Tulisano. This is a somewhat difficult question to answer and I guess you have to come down to one side or the other. We put on the books the 39 week law which says that if one of these triggering events happens, the employee or the spouse or the dependent has the right to continue the group insurance coverage by paying the employee spousal or dependent rate and that the employer would continue the subsidy and the plan would roll on for the 39 weeks and it was designed to be an emergency measure to cover unemployment or divorce or those situations.

Rep. Tulisano is asking us to go to 52 weeks. I guess the important thing to keep in mind is that it is group coverage and that if there be any adverse selection it's distributed over the group and since the members pick up their share, the risk is really no different to the plan, than that which had existed all along while they were an active employee or spouse. So with that legislative intent I think I can support the amendment.

SPEAKER VAN NORSTRAND:

Thank you, Rep. Rybak. Will you remark further on House Amendment Schedule "D"? The gentleman requested and the House and acceded to a roll call vote so the machine

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will be opened. The Clerk please announce the pendency of a roll call vote.

CLERK:

The House of Representatives is now voting by roll.

All members please return to the Chamber immediately. The House of Representatives is now voting by roll. All members please return to the Chamber immediately.

SPEAKER VAN NORSTRAND:

Have all the members voted? Have all the members voted and are your votes properly recorded? If so, the machine will be locked. The Clerk please take a tally.

REP. CHASE: (120th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Thank you, Mr. Speaker, in the green, please.

In the affirmative.

SPEAKER VAN NORSTRAND:

The gentleman from the 120th wishes to be in the affirmative.

Will the Clerk please announce the tally.

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## CLERK:

House Bill 5326, House Amendment Schedule "D".

Total number voting 145

Necessary for adoption 73

Those voting yea 114

Those voting nay 31

Those absent and not voting 6

## SPEAKER VAN NORSTRAND:

House Amendment Schedule "D" is adopted and ruled  
technical.

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House Amendment Schedule "D".

In line 1, insert "Section 1."

After line 14, insert the following:

"Sec. 2. Section 38-262d of the general statutes is repealed and the following is substituted in lieu thereof:

(a) Whenever any individual who is a member of any group hospital, surgical or medical insurance plan becomes ineligible for continued participation in such plan for any reason including death or whenever any individual who is a spouse of a member becomes ineligible for continued coverage as a dependent under such plan as a result of dissolution of marriage, the benefits of such plan shall be made available by the employer at the same group rate to the individual, the surviving or former spouse and the dependents covered by the group plan, for an extension period of (thirty-nine) FIFTY-TWO weeks or until such member, surviving or former spouse or dependent becomes eligible for benefits under another group plan, whichever occurs first. The employer shall inform the individual, surviving spouse or dependent of such spouse, in writing, of his right to continue coverage pursuant to this subsection within ten days after the member becomes ineligible to participate in the plan. If

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the individual, surviving or former spouse or dependent elects to continue participation in the group plan, he shall so notify the employer, in writing, within thirty days after the member becomes ineligible to participate or the spouse of a member becomes ineligible for continued coverage as a dependent. The member, surviving or former spouse or dependent shall be responsible for payment of premiums to the employer or policyholder throughout the extension period. Upon termination of the extension period, the member, surviving or former spouse or dependent shall be entitled to exercise any option which is provided in the group plan to elect a converted policy. After timely receipt of the premium payment from the individual or surviving or former spouse, if the employer fails to make payment to the insurer or hospital or medical service corporation with the result that coverage is terminated, the employer shall be liable for benefits to the same extent as the insurer or hospital or medical service corporation would have been liable if coverage had not been terminated.

(b) The provisions of this section shall apply to group policies issued pursuant to chapter 681 and to group hospital and medical expense policies and group hospital and medical service plan contracts issued pursuant to chapters 592 and 593. THE PROVISIONS OF THIS SECTION SHALL APPLY TO ANY MEDICAL BENEFITS CONTRACT ON A GROUP BASIS ISSUED BY A HEALTH CARE CENTER, AS DEFINED IN SECTION 33-179a.

Sec. 3. Section 38-374 of the general statutes is repealed and the following is substituted in lieu thereof:

A group comprehensive health care plan shall contain the minimum standard benefits prescribed in section 38-373, including the choice of the low option, middle option or high option deductible, and shall also conform in substance to the requirements of this section.

(a) The plan shall be one under which the individuals eligible to be covered include: (1) Each eligible employee; (2) the spouse of each eligible employee; and (3) dependent unmarried children, who are under the age of nineteen or are full-time students under the age of twenty-three at an accredited institution of higher learning.

(b) The plan shall provide the option to continue coverage under each of the following circumstances until eligible for other group insurance: (1) Upon layoff or

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leave of absence, or termination of employment, other than as a result of death of the employee, continuation of coverage for such employee and his covered dependents to the end of the (thirty-ninth) FIFTY-SECOND week following the day on which the employee lost eligibility to participate in the group; (2) upon the death of the employee, continuation of coverage for the covered dependents of such employee to the end of the (thirty-ninth) FIFTY-SECOND week following the day on which the employee lost eligibility to participate in the group; (3) during an employee's absence due to illness or injury, continuation of coverage for such employee and his covered dependents during continuance of such illness or absence; (4) upon termination of the group plan, coverage for covered individuals who were totally disabled on the date of termination, shall be continued without premium payment during the continuance of such disability for a period of twelve calendar months following the calendar month in which the plan was terminated, provided claim is submitted therefor within one year of the termination of the plan; (5) the coverage of any covered individual shall terminate: (A) As to a child, at the end of the month following the month in which the child marries, ceases to be dependent on the employee or attains the age of nineteen, whichever occurs first, except that if the child is a full-time student at an accredited institution, the coverage may be continued while the child remains unmarried and a full-time student, but not beyond the month following the month in which the child attains the age of twenty-three. If on the date specified for termination of coverage on a dependent child, the child is unmarried and incapable of self-sustaining employment by reason of mental retardation or physical handicap and chiefly dependent upon the employee for support and maintenance, the coverage on such child shall continue while the plan remains in force and the child remains in such condition, provided proof of such handicap is received by the carrier within thirty-one days of the date on which the child's coverage would have terminated in the absence of such incapacity. The carrier may require subsequent proof of the child's continued incapacity and dependency but not more often than once a year thereafter; (B) as to the employee's spouse, at the end of the month following the month in which a divorce, annulment or legal separation is obtained; and (C) as to the employee or dependent as of midnight of the day preceding such person's eligibility for benefits under Title XVIII of the Social Security Act;

(6) any continuation of coverage required by this section except subdivision (4) of subsection (b) may be subject to the requirement, on the part of the individual whose coverage is to be continued, that such individual contribute that portion of the premium he would have been required to contribute had the employee remained an active covered employee, except that the rate if coverage is continued in accordance with subdivision (1) of subsection (b) above, provided the employer shall not be legally obligated by this chapter to pay such premium if not paid timely by the employee.

(c) The commissioner shall promulgate regulations concerning coordination of benefits between the plan and other health insurance plans.

(d) The plan shall make available to Connecticut residents, in addition to any other conversion privilege available, a conversion privilege under which coverage shall be available immediately upon termination of coverage under the group plan. The terms and benefits offered under the conversion benefits shall be at least equal to the terms and benefits of an individual comprehensive health care plan.

Sec. 4. Section 31-51o of the general statutes, as amended by section 2 of public act 85-362, is repealed and the following is substituted in lieu thereof:

(a) Whenever a relocation or closing of a covered establishment occurs, the employer of the covered establishment shall pay in full for the continuation of existing group health insurance, no matter where the group policy was written, issued or delivered, for each affected employee and his dependents, if covered under the group policy, from the date of relocation or closing for a period of one hundred twenty days or until such time as the employee becomes eligible for other group coverage, whichever is the lesser, provided any right of such employee and his dependents to a continuation of coverage for up to (thirty-nine) FIFTY-TWO weeks as required by section 38-262d, AS AMENDED BY SECTION 2 OF THIS ACT, or 38-374, AS AMENDED BY SECTION 3 OF THIS ACT, shall not be affected by the provisions of this section, and provided further the (thirty-nine-week) FIFTY-TWO-WEEK period of continued coverage required by said sections shall not commence until the period of continued coverage established by this

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section has terminated.

(b) The provisions of this section shall not apply to those employees who, upon the relocation or closing of a covered establishment, choose to continue their employment with the employer at the new location of the facility.

(c) Notwithstanding the provisions of this section, any contractual agreement arrived at through a collective bargaining process that contains provisions requiring the employer to pay for the continuation of existing group health insurance for his affected employees in the event of a plant relocation or closing shall supersede the requirements of this section and, in the event of a conflict, the contractual provisions shall be deemed to be controlling."

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SPEAKER VAN NORSTRAND:

Will you remark further on the bill as amended by House Amendment Schedule "C" and House Amendment Schedule "D"? Will you remark further? If not, staff and guests please remain in the Well of the House. The machine will be opened. The Clerk please announce the pendency of a roll call.

CLERK:

The House of Representatives is now voting by roll.

All members please return to the Chamber immediately. The House of Representatives is now voting by roll. All members please return to the Chamber immediately.

SPEAKER VAN NORSTRAND:

Have all the members voted? Have all the members voted? Have all the members voted? If so, the machine

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will be locked. The Clerk please take a tally.

Will the Clerk please announce the tally.

CLERK:

House Bill 5326 amended by House Amendment  
Schedule "C" and House Amendment Schedule "D".

Total number voting	146
Necessary for passage	74
Those voting yea	146
Those voting nay	0
Those absent and not voting	5

SPEAKER VAN NORSTRAND:

The bill, as amended, is passed.

CLERK:

Calendar No. 151, Substitute for House Bill 5152,  
File No. 177, AN ACT CONCERNING THE REGULATION OF THE  
CONSTRUCTION OF COMMUNITY WATER SUPPLY SYSTEMS FOR NON-  
PROFIT ELDERLY HOUSING PROJECTS. Favorable Report of the  
Committee on Environment.

REP. TIFFANY: (36th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. John J. Tiffany.

REP. TIFFANY: (36th)

Thank you, Mr. Speaker. I move for acceptance and

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SPEAKER VAN NORSTRAND:

The bill is re-passed, not in concurrence with the Senate.

CLERK:

Page 6, Calendar No. 86, House Bill No. 5326,  
File No. 78 and 736, AN ACT CONCERNING TIME FOR PAYMENT  
OF ACCIDENT AND HEALTH INSURANCE CLAIMS AND EXTENDING THE  
PERIOD FOR CONTINUED COVERAGE UNDER GROUP HOSPITAL, SURGICAL  
OR MEDICAL INSURANCE PLANS, as amended by House Amendment  
Schedules "C" and "D". Favorable Report of the Committee  
on Judiciary. Senate rejected House Amendment Schedule  
"D" on 4/30.

REP. HURD: (56th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Robert Hurd.

REP. HURD: (56th)

Mr. Speaker, I move acceptance of the Joint  
Committee's Favorable Report and passage of the bill.  
And it is only 12:26. In concurrence with the Senate.

SPEAKER VAN NORSTRAND:

The motion is for acceptance and passage in con-  
currence with the Senate. Will you remark further, Rep.  
Hurd?

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REP. HURD: (56th)

Yes, Mr. Speaker. This has been around a while. It did pass through this hall on the 25th of April. However the Senate, when the bill got to their desks chose to reject House Amendment Schedule "C". Therefore--

SPEAKER VAN NORSTRAND:

I believe, sir, Rep. Hurd, that you are on the wrong amendment, I believe.

REP. HURD: (56th)

I believe you are right, Mr. Speaker. The folder which outlined all of this for me seems to have an error of the file. The Calendar seems to be correct, the Senate rejected House Amendment Schedule "D", which is LCO No. 3418. I ask that the Clerk please call the amendment.

SPEAKER VAN NORSTRAND:

Clerk please call LCO No. 3418, previously designated House Amendment Schedule "D".

CLERK:

House Amendment Schedule "D", LCO No. 3418, offered by Rep. Tulisano.

SPEAKER VAN NORSTRAND:

Does the gentleman request permission to summarize?

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REP. HURD: (56th)

Yes, I do, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Is there objection? Hearing none, please proceed, Rep. Hurd.

REP. HURD: (56th)

Very, very briefly, this amendment was intended to extend the 39 week period for continuing coverage by an individual after that individual left a group health insurance situation from 39 weeks to the 52 weeks. I believe the Senate's rejection probably related to some of the same arguments we offered here in the House. There is a federal change which has essentially superceded or will probably supercede our 39-week extension. And it seems that the amendment therefore was superfluous.

I move rejection of House "D".

SPEAKER VAN NORSTRAND:

The gentleman has moved for rejection of I believe it is House "D".

REP. HURD: (56th)

"D", yes, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Will you remark further?

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REP. RYBAK: (66th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

REP. RYBAK: (66th)

Yes, through you, a question to Rep. Hurd, Mr.

Speaker.

SPEAKER VAN NORSTRAND:

Speaker. Please frame your question, sir.

REP. RYBAK: (66th)

The representative gave us a reason for rejecting

Rep. Tulisano's amendment to the effect that there will

be a change in federal law which will render this

unnecessary. Is the federal law protection co-terminus.

Is it the same as this protection or is it going to be

less than this protection?

SPEAKER VAN NORSTRAND:

Rep. Hurd, would you care to respond?

REP. HURD: (56th)

Yes, Mr. Speaker, through you. The information

which I have, Rep. Rybak, indicates that the federal

extension will be for 18 months. It will be greater than

the 52 weeks provided for in House "D".

REP. RYBAK:

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REP. RYBAK: (66th)

Through you, Mr. speaker.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

REP. RYBAK: (66th)

Will that include everyone who is included in this 52 week extension? The divorced spouse, the child, the laid off worker?

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

Through you, Mr. Speaker, yes it will.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

REP. RYBAK: (66th)

Finally, through you, Mr. Speaker, has that federal change become law. Has it been signed by the President?

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

Through you, Mr. Speaker, just it has on April 7th, 1986 it was in fact signed by the President.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

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REP. RYBAK: (66th)

And finally, Mr. Speaker, will it include all the groups plans that are covered under our Connecticut law?

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

Through you, Mr. Speaker, as I understand it, yes it will. It covers all employers and it covers

particularly those who self-insure in addition to those who are covered under Connecticut law.

SPEAKER VAN NORSTRAND:

Rep. Rybak.

REP. RYBAK: (66th)

Thank you, Mr. Speaker. Thank you, Rep. Hurd.

That being the case then the House ought to recede in its position.

SPEAKER VAN NORSTRAND:

Will you remark further on the motion to reject

House Amendment Schedule "D"? If not, I would try your

minds. All those in favor of rejection please indicate

by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER VAN NORSTRAND:

All opposed, nay.

REPRESENTATIVES:

SPEAKER VAN NORSTRAND:

The eyes have it. House "D" is rejected.

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House Amendment Schedule "D".

In line 1, insert "Section 1."

After line 14, insert the following:

"Sec. 2. Section 38-262d of the general statutes is repealed and the following is substituted in lieu thereof:

(a) Whenever any individual who is a member of any group hospital, surgical or medical insurance plan becomes ineligible for continued participation in such plan for any reason including death or whenever any individual who is a spouse of a member becomes ineligible for continued coverage as a dependent under such plan as a result of dissolution of marriage, the benefits of such plan shall be made available by the employer at the same group rate to the individual, the surviving or former spouse and the dependents covered by the group plan, for an extension period of [thirty-nine] FIFTY-TWO weeks or until such member, surviving or former spouse or dependent becomes eligible for benefits under another group plan, whichever occurs first. The employer shall inform the individual, surviving spouse or dependent of such spouse, in writing, of his right to continue coverage pursuant to this subsection within ten days after the member becomes ineligible to participate in the plan. If the individual surviving or former spouse or dependent elects to continue participation in the group plan, he shall so notify the employer, in writing, within thirty days after the member becomes ineligible to participate or the spouse of a member becomes ineligible for continued coverage as a dependent. The member, surviving spouse or former spouse or dependent shall be

responsible for payment of premiums to the employer or policyholder throughout the extension period. Upon termination of the extension period, the member, surviving or former spouse or dependent shall be entitled to exercise any option which is provided in the group plan to elect a converted policy. After timely receipt of the premium payment from the individual or surviving or former spouse, if the employer fails to make payment to the insurer or hospital or medical service corporation with the result that coverage is terminated, the employer shall be liable for benefits to the same extent as the insurer or hospital or medical service corporation would have been liable if coverage had not been terminated.

(b) The provisions of this section shall apply to group policies issued pursuant to chapter 681 and to group hospital and medical expense policies and group hospital and medical service plan contracts issued pursuant to chapters 592 and 593. THE PROVISIONS OF THIS SECTION SHALL APPLY TO ANY MEDICAL BENEFITS CONTRACT ON A GROUP BASIS ISSUED BY A HEALTH CARE CENTER, AS DEFINED IN SECTION 33-179a.

Sec. 3. Section 38-387 of the general statutes is repealed and the following is substituted in lieu thereof:

A group comprehensive health care plan shall contain the minimum standard benefits prescribed in section 38-373, including the choice of the low option, middle option or high option deductible, and shall also conform in substance to the requirements of this section.

(a) The plan shall be one under which the individuals eligible to be covered include: (1) Each eligible employee; (2) the spouse of each eligible employee; and (3) dependent unmarried children, who are under the age of nineteen or are full-time students under the age of twenty-three at an accredited institution of higher learning.

(b) The plan shall provide the option to continue coverage under each of the following circumstances until eligible for other group insurance: (1) Upon layoff or leave of absence, or termination of employment, other than as a result of death of the employee, continuation of coverage for such employee and his covered dependents to the end of the [thirty-ninth] FIFTY-SECOND week following the day on which the employee lost eligibility to participate in the group; (2) upon the death of the

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employee, continuation of coverage for the covered dependents of such employee to the end of the [thirty-ninth] FIFTY SECOND week following the day on which the employee lost eligibility to participate in the group; (3) during an employee's absence due to illness or injury, continuation of coverage for such employee and his covered dependents during continuance of such illness or injury or for up to twelve months from the beginning of such absence; (4) upon termination of the group plan, coverage for covered individuals who were totally disabled on the date of termination, shall be continued without premium payment during the continuance of such disability for a period of twelve calendar months following the calendar month in which the plan was terminated, provided claim is submitted therefor within one year of the termination of the plan; (5) the coverage of any covered individual shall terminate: (A) As to a child, at the end of the month following the month in which the child marries, ceases to be dependent on the employee or attains the age of nineteen, whichever occurs first, except that if the child is a full-time student at an accredited institution, the coverage may be continued while the child remains unmarried and a full-time student, but not beyond the month following the month in which the child attains the age of twenty-three. If on the date specified for termination of coverage on a dependent child, the child is unmarried and incapable of self-sustaining employment by reason of mental retardation or physical handicap and chiefly dependent upon the employee for support and maintenance, the coverage on such child shall continue while the plan remains in force and the child remains in such condition, provided proof of such handicap is received by the carrier within thirty-one days of the date on which the child's coverage would have terminated in the absence of such incapacity. The carrier may require subsequent proof of the child's continued incapacity and dependency but not more often than once a year thereafter; (B) as to the employee's spouse, at the end of the month following the month in which a divorce, annulment or legal separation is obtained; and (C) as to the employee or dependent as of midnight of the day preceding such person's eligibility for benefits under Title XVIII of the Social Security Act; (6) any continuance of coverage required by this section except subdivision (4) of subsection (b) may be subject to

the requirement, on the part of the individual whose coverage is to be continued, that such individual contribute that portion of the premium he would have been required to contribute had the employee remained an active covered employee, except that the individual may be required to pay the entire premium at the group rate if coverage is continued in accordance with subdivision (1) of subsection (b) above, provided the employer shall not be legally obligated by this chapter to pay such premium if not paid timely by the employee.

(c) The commissioner shall promulgate regulations concerning coordination of benefits between the plan and other health insurance plans.

(d) The plan shall make available to Connecticut residents, in addition to any other conversion privilege available, a conversion privilege under which coverage shall be available immediately upon termination of coverage under the group plan. The terms and benefits offered under the conversion benefits shall be at least equal to the terms and benefits of an individual comprehensive health care plan.

Sec. 4. Section 31-510 of the general statutes, as amended by section 2 of public act 85-362, is repealed and the following is substituted in lieu thereof:

(a) Whenever a relocation or closing of a covered establishment occurs, the employer of the covered establishment shall pay in full for the continuation of existing group health insurance, no matter where the group policy was written, issued or delivered, for each affected employee and his dependents, if covered under the group policy, from the date of relocation or closing for a period of one hundred twenty days or until such time as the employee becomes eligible for other group coverage, whichever is the lesser, provided any right of such employee and his dependents to a continuation of coverage for up to thirty-nine FIFTY-TWO weeks as required by section 38-262d, AS AMENDED BY SECTION 2 OF THIS ACT, or 38-374, AS AMENDED BY SECTION 3 OF THIS ACT, shall not be affected by the provisions of this section, and provided further the [thirty-nine week] FIFTY-TWO-WEEK period of continued coverage required by said sections shall not commence until the period of continued coverage established by this section has terminated.

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(b) The provisions of this section shall not apply to those employees who, upon the relocation or closing of a covered establishment, choose to continue their employment with the employer at the new location of the facility.

(c) Notwithstanding the provisions of this section, any contractual agreement arrived at through a collective bargaining process that contains provisions requiring the employer to pay for the continuation of existing group health insurance for his affected employees in the event of a plant relocation or closing shall supersede the requirements of this section and, in the event of a conflict, the contractual provisions shall be deemed to be controlling."

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SPEAKER VAN NORSTRAND:

Will you remark further on the bill as amended?

REP. HURD: (56th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Hurd.

REP. HURD: (56th)

I'm choking on the alphabet soup, as well. With the rejection of House "D", I urge passage of the bill in concurrence and move we get on with the Calendar.

SPEAKER VAN NORSTRAND:

Will you remark further? If not, staff and guests please come to the well of the House. An immediate roll call is ordered. Clerk please announce that a roll call is in progress.

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House of Representatives

Wednesday, May 7, 1986

CLERK:

The House of Representatives is now voting by roll.

All members please return to the Chamber immediately.

The House of Representatives is now voting by roll. All members please return to the Chamber immediately.

SPEAKER VAN NORSTRAND:

Have all the members voted? If so, the machine will be locked. Clerk please take a tally. The representative from the 113th votes in the affirmative.

REP. WILBER: (133rd)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Elinor Wilber.

REP. WILBER: (133rd)

In the affirmative, please, Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Wilber of the 133rd, in the affirmative.

REP. BIAFORE: (125th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Biafore.

REP. BIAFORE: (125th)

In the affirmative.

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House of Representatives

Wednesday, May 7, 1986

SPEAKER VAN NORSTRAND:

Rep. Biafore of the 125th in the affirmative.

REP. DYSON: (94th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. William Dyson.

REP. DYSON: (94th)

In the affirmative, please.

SPEAKER VAN NORSTRAND:

Rep. Dyson of the 94th in the affirmative.

Clerk please announce the tally.

CLERK:

House Bill No. 5326, as amended by House "C".

Total number voting 142

Necessary for passage 72

Those voting yea 142

Those voting nay 0

Those absent and not voting 9

SPEAKER VAN NORSTRAND:

The bill as amended is passed in concurrence with

the Senate.

At this time, based on the actions taken earlier, by this Chamber, on Calendar No. 695, Senate Bill No. 570, we are in fact in conflict with the Senate on that matter.

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1986

VOL. 29  
PART 8  
2524-2909

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The result of the vote:

16 YEA

18 NAY

The motion to reject is defeated. Senator Lovegrove on the Bill.

SENATOR LOVEGROVE:

Thank you Mr. President. I move adoption of the Bill as amended by House A.

THE CHAIR:

Will you remark?

SENATOR LOVEGROVE: I think we've all had the Bill explained to us quite thoroughly here. I would urge the chamber to support the Bill.

THE CHAIR:

Any objection to placing this on the Consent Calendar?

SENATOR LOVEGROVE:

If there is no objection, I would move this to the Consent Calendar.

THE CHAIR:

Hearing none, the item is placed on the Consent Calendar.

THE CLERK:

Page 13, Calendar 570, House Bill 5326, File 78 and 736,  
AN ACT CONCERNING--House Bill 5326, AN ACT CONCERNING TIME-  
FOR PAYMENT OF ACCIDENT AND HEALTH INSURANCE CLAIMS AND  
EXTENDING THE PERIOD FOR CONTINUED COVERAGE UNDER GROUP

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HOSPITAL, SURGICAL OR MEDICAL INSURANCE PLANS, as amended by House Amendment, Schedules C and D, Favorable Report of the Committee on Judiciary.

THE CHAIR:

Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

Yes Mr. President. I move acceptance of the Committee's Joint Favorable Report and rejection of House D.

THE CHAIR:

You're moving to reject House D.

SENATOR SCHOOLCRAFT:

That's LCO 3418, by the way.

THE CHAIR:

The Senate will stand at ease.

SENATOR SCHOOLCRAFT:

Mr. President, I have an Amendment here if it would help the Clerk. I'll be glad to bring it up to him.

THE CHAIR:

The Senate will stand at ease. The Senate will come to order. Proceed.

THE CLERK:

All right, Amendment C in the House is LCO 2961; Amendment D is LCO 3418.

THE CHAIR:

And Senator Schoolcraft, you moved to reject House

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Amendment, Schedule D.

SENATOR SCHOOLCRAFT:

3418, yes sir.

THE CHAIR:

3418, all right. Wish to--

SENATOR SCHOOLCRAFT:

Would I give an explanation now?

THE CHAIR:

Certainly, you may proceed

SENATOR SCHOOLCRAFT:

Mr. President, this Amendment was tacked on in the House and what it actually did, it extended the current statutes of 39 weeks to 52 weeks for those that's been terminated from employment or a few others that qualified that they may remain on your insurance program for a period of 52 weeks. However, this Bill has been in our Committee twice before and I quote you, the U. S. Congress has recently enacted federal legislation which provides coverage --covered employees who are terminated, the option to purchase, the continue group coverage for up to 18 months; widows, divorced spouses, spouses of medicare or eligible employees, dependent children are eligible for coverage up to three years.

This new federal law, signed by the President on April the 7th, 1986, this federal law now supercedes Connecticut and applies to all employers with more than twenty employees.

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Our committee--we looked at this again recently over there and the committee's feeling is the federal regulations have just been signed by the President and it affects any employee with twenty or more employees up there and the reason we project this, we would like to see this thing get into place and we would look at it next year. The only difference is that that Amendment says under twenty employees. Over twenty employees, the employees--they have the staff and the operation to handle this work and I suggest to you if an employee has insurance, medical insurance for four or five employees and he has to wait every month for three or four people to bring him a check before he can send in the money, there is going to be a termination of insurance in those small employments.

Our Committee felt that we would like to do nothing on this here, go with the federal regulations and we can look at the under twenty weeks in Committee this summer and next year and see what we can do about it.

THE CHAIR:

Motion is to reject House D. Further remarks? Senator Harper.

SENATOR HARPER:

Thank you Mr. President. I am opposed to rejecting House D and I would ask for a Roll Call.

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THE CHAIR:

Further remarks? Clerk please make an announcement for an immediate Roll Call.

THE CHAIR:

An immediate Roll Call has been ordered in the Senate.

Will all Senators please return to the chamber. An immediate Roll Call has been ordered in the Senate. Would all Senators please return to the chamber.

THE CHAIR:

Question before the chamber is a motion to reject House D. LCO 3418. If you wish to vote for rejection you vote yea; contrarily minded, nay. The machine is open. Please record your vote. Has everyone voted? The machine is closed. Clerk please tally the vote.

The result of the vote:

22 YEA

12 NAY

The motion to reject is passed. We're now on the Bill.

There is a Senate Amendment I've been told. It's been withdrawn. We're now on the Bill. Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

Mr. President, thank you. Briefly explain the Amendment C, that was a technical Amendment. It just changed a couple of--a definition of a word, but on the main Bill, excuse me a second here--the main Bill, Mr. President, is

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to make--this Bill makes it unfair and deceptive act or practice for an insuror to fail to pay an accident and health insurance claim within 45 days of the claimant's filing proof of loss unless the Insurance Commissioner determines that there is a legitimate dispute regarding coverage, liability or damage; that the insured fraudulently caused or contributed to the loss, for an unexcused failure, the Bill requires the insurors to pay the claims 12 percent interest and allows the Commissioner to impose any other penalties.

What's been happening out there, the insuror goes to a hospital or to a provider and he gets the service that he's due him under his policy and the Bill is extended to the insurance company. They historically drag their feet paying this Bill and what is happening out there in cases we heard, that after about 60 days, that the provider turns this over to a collection agency. Meanwhile, the insured assumes that the insurance company has paid his bill.

A case that I'm very familiar with was three to four months. It was turned over to a collection agency. I got the response from the insurance company, well, our computers broke down and this is pretty normal for us. Well, I think it's disgusting that a constituent of ours out there should have to have his name sent to a collection agency which no doubt goes into--on his record as--that because an insurance company chooses to drag their feet and I urge passage of the

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Bill. It's a good consumer Bill and we're protecting the public and I urge all my colleagues to vote yes on this. If there is no objection I move to Consent Calendar.

THE CHAIR:

Hearing none--no objection, the item is placed on the Consent Calendar.

THE CLERK:

Page 17, Calendar 379, House Bill 5989, File 307, AN ACT ENABLING THE TOWN OF STONINGTON TO WAIVE PAYMENT OF CERTAIN INTEREST ON MOTOR VEHICLE PROPERTY TAXES DELINQUENT FOR SIX YEARS OR MORE IF THE PAYMENT IS MADE WITHIN A CERTAIN SPECIFIED PERIOD, Favorable Report of the Committee on Finance, Revenue and Bonding. No new file. Senate referred to Finance on 4-25.

THE CHAIR:

Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

Yes Mr. President. This is an enabling act. The Town of Stonington, in the tax years 1970 to '79, the motor vehicle auto taxes, some of the records were lost. In 1980, the town of Stonington acquired a new town clerk. In 1985, the town of Stonington went on a computer and they found an error that said certain motor vehicle taxes in that town between 1970 and '79 were not paid. By state statute, the penalties for this are the--or the interest on these taxes

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THE CLERK:

An immediate Roll Call has been ordered in the Senate on the Consent Calendar. All Senators please return to the chamber. An immediate Roll Call on the Consent Calendar. Will all Senators please return to the chamber.

THE CHAIR:

Please give your attention to the Clerk who will announce all those items that have been referred to the Consent Calendar.

THE CLERK:

Page 5, Calendar 477, House Bill 5544; Calendar 480, Substitute for House Bill 5949; Calendar 488, House Bill 6008. Page 6, Calendar 492, Substitute for Senate Bill 440; Calendar 515, House Bill 5354. Page 7, Calendar 519, Substitute for House Bill 5607. Page 9, Calendar 546, Substitute for Senate Bill 562. Page 8, Calendar 531, Substitute for Senate Bill 109. Page 12, Calendar 564, House Bill 5126; Calendar 566, Substitute for House Bill 5896. Page 11, Calendar 569, Substitute for House Bill 5176, Calendar 570, House Bill 5326. Page 17, Calendar 379, House Bill 5989. Page 20, Calendar 172, Senate Bill 527.

THE CHAIR:

Any changes or omissions? The machine is open. Please record your vote on the Consent Calendar.

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## INSURANCE

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REP. VANCE: As I understand it, I believe Prudential is creating a product for the AARP that is going to be available nationwide. It might be a source for your underwriters to determine. I also believe one of the other major carriers in Connecticut, Aetna, is looking at such a product. And I think we on the Committee before we determine loss ratio, would like to get an idea from the carriers that such a product would be available. I think that's our most important concern. We do not want to have the state create the product. We felt that private enterprise was certainly better able to do it. And we do seem to sense that there is an interest out there in creating the product. So if you could furnish us with any information at all in relation to this product coming from Blue Cross and approximately what you see as a reasonable ratio, we would very much appreciate having that.

MR. LOHR: Thank you. We would support 5326, an act concerning time for payment of accident and health insurance claims. But we would caution the Committee that a 45 day period is, to us, seems adequate. And we have to caution the Committee that we hope we have, as we do know, an understanding department that realizes the total loss is not always promptly reported. And not properly reported by the claimant in a timely fashion. And if we don't have all the information that we need to determine the full extent of our liability, and we have to correspond and go back and forth and back and forth, sometimes this period of time can exceed 45 days. Recently a friend of mine almost had his mortgage terminated because he took 10 days to get a letter from here to Massachusetts. Those are the things that I would caution the Committee to be sure are built into this legislation so that the companies have adequate consideration in that regard.

REP. VANCE: Do you see lines 22 and 23 giving the Commissioner discretion sufficient?

MR. LOHR: At a high, no as an average, that's to

MR. LOHR: I wanted to strengthen it a little bit but I didn't have an opportunity to come up with the words yet. I think it has, depends on commissioners and department personnel at the time.

REP. VANCE: As with Blue Cross. If you have suggested language, again, we would appreciate that as promptly as possible.

MR. LOHR: Thank you.

SEN. SCHOOLCRAFT: Rep. Chase.

REP. CHASE: Thank you, Senator. Wally, how long on an average does it take Blue Cross to pay a claim now? I'm sure you keep those somewhere?

MR. LOHR: Well, I haven't been in touch with that recently but in some instances, in many instances with respect to hospitals for example where we have wire transmission it could be as rapidly as 24 hours or less. Depending on the situation. We have had claims go 5 months, it is possible.

REP. CHASE: Yes, but what's--

MR. LOHR: Back and forth.

REP. VANCE: That is when there is a dispute.

MR. LOHR: Where there is a dispute or where we're so late doing it. Let's face it, we're all human and people make mistakes either on the part of the insured or on our part. I can't give you the specific answer on the number of days.

SEN. SCHOOLCRAFT: We were working, I do recall a figure of 10 days of a surgical claim

REP. CHASE: As an average?

MR. LOHR: As a high, no as an average, that's correct.

REP. CHASE: So this bill would allow you to then hold onto the payment until 45 days in that case. Right?

MR. LOHR: It's not a case of our wanting to hold on to it. We don't want to hold on to it, we want to pay it. But what we would like is adequate protection if we haven't, if we are not at fault, because they haven't submitted all the information necessary. For that we would like adequate protection.

REP. CHASE: I agree with you on that point. All I'm trying to determine on a very simple submission of a health claim the average time it takes to pay that claim. I know the industry keeps those records. I'm just trying to get an average, and determine how we came up with this 45 days. I just want to ensure that if in fact your average is 20 days, maybe 45 days is too much. And if I were in your position and I didn't have until 45 days, that gives me a better cash flow. So if you could let me know, I would appreciate that.

MR. LOHR: I certainly will.

SEN. SCHOOLCRAFT: Wally, I think the concern that I have that when a person uses their medical insurance the hospitals, the doctors bill them, but even in my own policy, it is not strange to include my own household to receive a threat of ruin papers (inaudible) because a bill have not been paid and this is nothing to say of Blue Cross, although I do have a club for you. But in other insurance policies over the years I have run into this. And I have ended up paying for my employees rather than haven't them reflects the dates and because it's (inaudible) dragging your feet. And this has been a history for me.

REP. VANCE: Is there a difference in processing assigned claims compared to direct pay claims? And if a contract is assigned by the policyholder for direct payment to a physician would there be then the ability for a bill collector to go after the patient rather than the carrier in whose name that direct payment be made to the person offering the services? Or is that a tough one, Wally.

MR. LOHR: It's a tough one for me because--

REP. VANCE: Most people will assign their benefits because--

MR. LOHR: We don't assign them.

REP. VANCE: You don't at all. When that eliminates that for you then. So there is no assignment with Blue Cross. So they would be then going after the patient? Okay.

REP. SWENSSON: Wally, Rep. Swensson again. I had some work done July 12th. Blue Cross/Blue Shield at a local hospital. Just this week I got a notice why hasn't this been paid. Now I have to blame the hospital because the hospital has never notified me within that 45 days. So I immediately made a copy and sent it right up to, I happen to have New York, so I sent it there. But I don't know why, but the hospital I blame on that account for not notifying me within 30 days. It was under \$100 but its--I'm just wondering about the 45 days. You couldn't blame Blue Cross for that, I don't think.

MR. LOHR: Those are the things which I am concerned about. But I believe that is addressed and can be addressed by the department.

REP. VANCE: Rep. Jahn.

REP. JAHN: Yes, Mr. Lohr, if you don't have a complete, if you don't have a claim that you can process, that there is insufficient evidence or something is lacking on it, do you have much difficulty in communicating with the entity that has to supply this information and getting that back. Or generally do you receive good response to your inquiries?

MR. LOHR: On the whole we get good response.

REP. VANCE: David.

REP. THORPE: Wally, I'm a little confused. I would like to follow up what Rep. Vance was talking about. I thought an assigned claim was when the patient signed his claim form and says just go ahead and pay the doctor, don't reimburse me. Am I wrong?

Cass. #2 REP. VANCE: I think David is correct, that Blue Cross does take assignment. I think the state program allows us to assign it.

MR. LOHR: Well, we don't call it assignment. If I may--

REP. THORP: That's what I'd like to find out. What the terms are that we are dealing with. And I guess let's do it one by one. You can pay the doctor and then get reimbursed by Blue Cross. That's true, isn't it?

MR. LOHR: That's a non-participating physician.

REP. THORP: No, I mean, but isn't that an option that the patient has if he wants to pay the doctor then he'll send the claim to you and you pay him back, or isn't that--

MR. LOHR: It certainly is an option, but that confuses the issue if it is a participating physician.

REP. THORP: Oh, sure. Then the other way you do it is you just have the doctor send the claim form straight to you and you guys take care of it.

MR. LOHR: That's correct, a participating physician.

REP. VANCE: That's what I meant as an assignment.

REP. THORP: I think that is what Rep. Vance and I think of as an assigned claim. Do we have to go any further Rep. Vance or maybe we'd better get what the industry thinks an assigned claim is, then we will have new knowledge.

MR. LOHR: Well, you are picking on the wrong side of the industry.

REP. VANCE: This is Roast Wally Day.

REP. THORP: No, I honestly don't know. I thought an assigned claim was what I just said but apparently there is some other version that I don't know about. I'm sorry.

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MR. LOHR: Well, I'll ask someone to correct me if I'm wrong through the audience, but an assigned claim, as I understand it, is that in a particular contract the insured holds, allows that individual or that insured to assign the benefit directly to the provider. The insured has the option of doing that or not doing that. And they merely sign stating that the benefits shall be paid directly by the carrier to the insured. Now in Blue Cross/Blue Shield claims, that does not exist, per se. We have member hospitals. We have member providers. We have participating providers. You go to the hospital, you don't sign hardly anything. You should them your membership number, your card, and they ask you for your life savings and what-have-you and we pay the hospital direct.

REP. CHASE: It works on a participating or non-participating physician basis as opposed to the... Now in attempting to answer Rep. Chase's question regarding the time it takes to pay a claim, when you are admitted to the hospital, they type in a membership number on the claim and the benefit, on the machine, and the benefit gets transmitted back within 29 seconds. The level of benefit that that individual is entitled to. And from that point on the claim is essentially paid. I'll answer that question. Now with the physician you go to a non-participating physician, he is provided with claim forms which you must sign. He then completes that claim form, submits it to us and we, after processing, send you the check. If it were a participating physician he'd send in the claim form, we'd send him the check.

REP. VANCE: But you do have the right to assign to a non-participating physician.

MR. LOHR: Well, I've never seen it.

REP. VANCE: I did, two weeks ago.

MR. LOHR: On whose form?

REP. VANCE: Blue Cross. Anyhow, we are getting a little too far afield. What we are looking for is the average time of claim settlement according to Blue Cross.

REP. THORP: May I just--

REP. VANCE: Yes, David.

REP. THORP: Okay. I want to make sure I understand it then. Your system with Blue Cross is participating physicians and non-participating physicians. It is not the same, like I work at Pratt & Whitney and I have Connecticut General. And I can pay the doctor if I want to and get paid back. Or I sign this little thing, which I always thought was an assignment, maybe it is, maybe it isn't.

MR. LOHR: That is an assignment.

REP. THORP: So basically your system works on a participating/non-participating physician basis as opposed to the one that I am used which works on a you reimburse me or you pay the doctor direct system. And it is just two different systems. Okay, I understand. Thank you, Wally.

SEN. SCHOOLCRAFT: Any other Committee members?

REP. VANCE: Have we all finished picked on Wally?

SEN. SCHOOLCRAFT: Dick Caffery.

MR. RICHARD CAFFERY: Good morning. I think I'm glad I got here after Wally. Members of the Committee, my name is Richard Caffery. I am Vice Chairman of the Legislative Committee of the Independent Insurance Agents of Connecticut. And I am an active licensed Connecticut agent. I would like to speak briefly in regard to Raised Bill 5400 concerning insurance reform.

We all agree that there is an insurance crisis in most states, in regard to availability and cost of insurance from the buyer's standpoint; and capacity and solvency from the insurance company standpoint.

Our association welcomes all of the various efforts to solve these problems. We have been involved in the Governor's Task Force, we are heavily involved in the Market Assistance Program for those who have not been able to obtain certain forms of insurance, and we offer our assistance to the legislature as respects section 3

MR. LEROY: (continued)  
with this is because it's brand new for us, and we're struggling to get a good definition that's going to hopefully allow these policies to be available. There's a demand out there and we want to meet that demand, and I will provide those LCO and work and sit down with John Sansone to see if we can come together on a definition.

REP. VANCE: Fine. Of course, you realize that this committee is the first committee to have a JF deadline and we are under very, very tight time constraints. So we appreciate your doing that as soon as possible.

MR. LEROY: Finally, on House Bill 5326. We do have concerns in regard to this bill. We did not have indications that the late payment claims was a widespread problem until we saw this bill being filed. I guess our first response is, if there is a particular company that is causing problems, we would hope that the insurance department would bring them in and question them as to why this is occurring.

We have concerns because we're setting up a new administrative mechanism that could be burdensome not only to us but also to the insurance department if we are going to be filing all sorts of new (inaudible) with them, but more fundamental, if in fact there is, there can be some sort of continuing dialogue on this is the term claimant's filing proof of loss again; it comes back to Blue Cross. The same concern we had. We cannot process a claim until we have complete claim file information, and at times that is a problem. And, simply use the term claimant's filing a proof of loss, that could put us in a real bind where we're automatically going to have to go to the department every time to say, we don't have the complete file. We can't proceed, so again, we have concerns with that bill.

Finally, I would just like to mention the Phoenix Mutual bill. Senate Bill 158, a charter bill. This is simply to streamline and update their charter. Bring it more into context of doing business in the 1980s. They have talked to the department who have given approval of their direction. I do have an individual from the company trying to move things along, so he's testifying