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SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Members please check the board to make sure that your vote is properly cast.

If all the members have voted, the machine will be locked and the Clerk will take a tally. Will the Clerk please announce the tally.

THE CLERK:

House Bill 5467.

Total number voting	124
Necessary for passage	65
Those voting Yea	124
Those voting Nay	4
Those absent and not voting	22

SPEAKER SHARKEY:

The bill passes. Will the Clerk please call Calendar 224.

THE CLERK:

House Calendar 224, Favorable Report of the Joint Standing Committee on Insurance and Real Estate, House Bill 5578 AN ACT CONCERNING THE HEALTH INSURANCE GRIEVANCE PROCESS FOR ADVERSE DETERMINATIONS.

SPEAKER SHARKEY:

The distinguished Chairman of the Insurance

Committee, Insurance and Real Estate Committee, Representative Megna.

REP. MEGNA (97th):

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

SPEAKER SHARKEY:

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

REP. MEGNA (97th):

Yes, Mr. Speaker, last year we in the Chamber passed into law a bill dealing with adverse determinations for mental health and substance abuse claims.

What this four-section bill does is make really clarifying changes that came out of the Committee unanimously and represents an agreement with the healthcare carriers.

Mr. Speaker, the Clerk is in possession of LCO 4012. I ask that it be called and I be permitted to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 4012, which will

be designated House Amendment "A".

THE CLERK:

House Amendment "A", LCO 4012 introduced by Representative Megna, et al.

SPEAKER SHARKEY:

The gentleman seeks leave of the Chamber to summarize. Is there objection? Is there objection? Seeing none, you may proceed with summarization.

REP. MEGNA (97th):

Thank you, Mr. Speaker. Mr. Speaker, the Amendment strikes Section 1 and clarifies the intent of clinical peer psychologist and with that, I move adoption of the Amendment, Mr. Speaker.

SPEAKER SHARKEY:

The question before the Chamber is adoption of House Amendment "A". Will you remark? Representative Sampson.

REP. SAMPSON (80th):

Thank you, Mr. Speaker. I rise very briefly in support of the Amendment. As the good Chairman of the Insurance Committee stated, this is a bill that just updates the way we handle the clinical peers process for adverse determinations in insurance claims and it's a good bill and ought to pass.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir. Would you care to remark? Would you care to remark further on House Amendment "A"?

If not, let me try your minds. All those in favor of House Amendment "A" please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay? The ayes have it. The Amendment is adopted. Would you care to remark further on the bill as amended? Would you care to remark further on the bill as amended?

If not, staff and guests to the Well of the House. Members take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll.

The House of Representatives is voting by Roll.

Will members please return to the Chamber immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members

voted? Members please check the board to make sure your vote is properly cast.

If all the members have voted, the machine will be locked and the Clerk will take a tally. Will the Clerk please announce the tally.

THE CLERK:

House Bill 5578 as amended by House "A".

Total number voting	128
Necessary for passage	65
Those voting Yea	128
Those voting Nay	0
Those absent and not voting	22

SPEAKER SHARKEY:

The bill as amended passes. Will the Clerk please call Calendar 259.

THE CLERK:

On Page 14, Calendar 259, Favorable Report of the Joint Standing Committee on Judiciary. House Bill 5484 AN ACT CONCERNING THE CLAIM AGAINST THE STATE OF THE TOWN OF CHESHIRE.

SPEAKER SHARKEY:

Representative Fox.

REP. FOX (146th):

Thank you, Mr. Speaker. I move for the

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Thank you, Madam President.

The next item is calendar page 19, Calendar 460, House Bill 5057, move to place this item on the Consent Calendar.

THE CHAIR:

Seeing no objection, sir, so ordered.

SENATOR LOONEY:

And Madam President, calendar page 20, Calendar 462, House Bill Number 5472, move to place that item on the Consent Calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

And a final item, Madam President, Calendar page 25, Calendar 501, House Bill 5578, move to place that item also on our Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

If the Clerk might now read the items on the Consent Calendar and if we could then proceed to a vote on that second Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On today's second Consent Calendar, on page 5, Calendar 298, Senate Bill 470.

Page 43, Calendar 387, Senate Bill 432.

Page 43, Calendar 399, Senate Bill 152. Also on page 43, Calendar 405, Senate bill 457.

On page 6, Calendar 328, House Bill 5125.

And on page 8, Calendar 337, House Bill 5131.

On page 19, Calendar 460, House Bill 5057; and on page 20, Calendar 462, House Bill 5472; and on page 25, Calendar 501, House Bill 5578.

THE CHAIR:

Mr. Clerk, please call for a roll call vote on the Consent Calendar. And the machine is open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Immediate roll call on the Consent Calendar Number 2 has been ordered in the Senate.

THE CHAIR:

Have all members voted? All members voted. The machine will be closed.

Mr. Clerk, will you please call the tally.

THE CLERK:

On today's second Consent Calendar.

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	34
Those voting Nay	0
Those absent and not voting	2

THE CHAIR:

The Consent Calendar passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would request suspension for purposes of immediate transmittal to the House of calendar page 37, Calendar 198, Senate Bill 357.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, yield the floor to members for announcements or points of personal privilege or upcoming committee meetings.

THE CHAIR:

Are there any points of personal privilege or upcoming meetings?

Senator Linares.

SENATOR LINARES:

Thank you, Madam President.

THE CHAIR:

Good morning, sir.

SENATOR LINARES:

Good morning. Happy Saturday to you.

THE CHAIR:

I don't know about that sir, but go ahead.

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you very much.

REP. MEGNA: Thank you, Representative. Are there any other questions? Thank you so much, Jennifer.

JENNIFER HERZ: Thank you.

REP. MEGNA: Moving on to 5578, Susan.

SUSAN HALPIN: Good afternoon again, Chairman Megna, Chairman Crisco, members of the Committee. For the record, I'm Susan Halpin and I'm here on behalf of the Connecticut Association of Health Plans to testify regarding H.B. 5578, and that's concerning the health insurance grievance process for adverse determinations.

The Association is pleased to support the technical changes that are incorporated in H.B. 5578, which clarifies that a health care professional may approve a utilization review's decision but that only a clinical peer may sign off on a denial, which was the intent of stakeholders last year in the passage of Public Act 13-3, which inadvertently changed the law to require that clinical peers also approve such decisions.

We sincerely appreciate the Committee's willingness to make this correction and urge your passage of those sections. We do however have concerns about Section 1 of the bill, which requires that only a psychiatrist review a psychiatrist and that only a psychologist review a psychologist.

There are proactical considerations that apply as to the availability of -- and achievability of the practitioners in this field with regard to that section. Secondly, even providing for such oversight, there is some confusion around the

language that's used in the bill in terms of the qualifications. It's appropriate for purposes of psychiatry to state, "Hold the national board certification".

However, the language stating of something similar to psychology is problematic in that while there is a certification for psychology, as our understanding is, this is not recognized as a standard of practice. It's more of a specialty certificate, as we've been told, that doesn't necessarily deem someone qualified in the field.

Thirdly, and probably most importantly, psychiatrists hold a degree of medical training that psychologists do not, and there are certain situations, particularly as they relate to comorbidity, that correctly call for review of someone with a medical background. We hope that we can continue discussions with the Committee and the proponents around this issue as the bill moves forward.

And finally, while the industry generally favors a reduction in regulatory oversight, we would respectfully question that removal of the Department of Insurance consumer affair's decision in terms of such oversight and put in place remove thereof that provided by the health care advocate. And we would suggest to you that the DOI is the more appropriate entity to have that authority. So thank you for your consideration.

REP. MEGNA: Thank you, Susan. And I guess you've been talking to the advocates on that, on this bill, on the language of the bill.

SUSAN HALPIN: Yes, we've --

REP. MEGNA: You've been involved in that?

SUSAN HALPIN: Yes, there's been some conversations as to -- I think throughout the interim as to the language around the technical fixes that are included in the bill.

REP. MEGNA: Okay. We will keep that dialogue going.

SUSAN HALPIN: Yup.

REP. MEGNA: Thank you very much. Are there any other -- any questions? No? Thank you very much, Susan.

SUSAN HALPIN: Thank you. Appreciate it.

REP. MEGNA: I think that's it. Is there anybody else here that would like to speak on a bill that I haven't called on or -- no? All right. I guess that will conclude our public hearing.

Office of the
Healthcare
Advocate
STATE OF CONNECTICUT

Testimony of Victoria Veltri
State Healthcare Advocate
Before the Insurance and Real Estate Committee
In support of HB 5578
March 18, 2014

Good afternoon, Representative Megna, Senator Crisco, Senator Kelly, Representative Sampson, and members of the Insurance and Real Estate Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

Last year Connecticut made great strides towards strengthening consumer protections as part of the utilization review process reforms in Public Act 13-3. These changes recognized the unique nature of mental health and substance use claims and required that carriers use criteria appropriate for these assessments, as well as obliging that a clinical peer with true expertise in the discipline and with the age group perform these claim reviews. HB 5578 corrects a deficiency in last year's legislation to ensure that clinical peers are involved in the review of adverse determinations, while ensuring that utilization review requirements remain intact. This correction was made in cooperation with the carriers.

HB 5578 reinforces the intent of PA 13-3 by clarifying that like clinicians with like experience shall review the service requested by treating provider. Psychiatrists and psychologists have different academic credentials and approach treatment from subtly different perspectives. The changes proposed in HB 5578 merely acknowledge this distinction and permit appropriate review by like-specialists. We understand that there may still be some needed changes in the language to reflect the differences in certification between specialties, and we are committed to ensuring those changes are made.

HB 5578 promotes efficiency in the utilization review process by permitting carriers to develop and implement protocols that promote appropriate claims review by these clinical peers. Additional refinements to perfect the process for all parties will likely be necessary, but OHA and all

stakeholders, including providers and carriers, are dedicated to work together to identify solutions that achieve optimal consumer protection while integrating the perspectives of all parties.

HB 5578 also reinforces OHA's role as the state's consumer assistance program under the Affordable Care Act and legislation previously passed by this committee, requiring OHA's contact information on all denials of services. OHA receives approximately 12,000 calls per year, and in 2013 managed 5,683 cases in a wide variety of issues, saving Connecticut consumers $9.6 million in healthcare costs, and is in a unique position to provide the committee with information on barriers to care that consumers experience when attempting to access their healthcare coverage.

As the only agency whose primary mission is to advocate for Connecticut's consumers healthcare needs, I thank you for providing me the opportunity to deliver OHA's testimony today. If you have any questions concerning my testimony, please feel free to contact me at victoria.veltri@ct.gov.

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony

Insurance and Real Estate Committee

March 18, 2014

Raised H.B. No. 5578 AN ACT CONCERNING THE HEALTH INSURANCE GRIEVANCE PROCESS FOR ADVERSE DETERMINATIONS.

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department respectfully opposes **Raised House Bill No. 5578: An Act Concerning The Health Insurance Grievance Process for Adverse Determination.** Generally, raised Bill No. 5578 would specify the clinical peers for psychiatrists and psychologists; change references to clinical peers to individuals for purposes of conducting utilization reviews; and delete references to the Division of Consumer Affairs within the Insurance Department in certain notices provided to covered persons.

As we've all heard Connecticut carriers say in the past, regulatory certainty is imperative in order for them to effectively carry out fledgling health care reforms. H.B. 5578 is one more bill in a series of bills that have been introduced in this session and recent past sessions dealing with the credential and specialty requirements of peer review networks used for utilization review and/or appeals following an adverse determination. Depending on the clinical specialty or advocacy group seeking the change, these proposals have in various forms narrowed the definitions of a clinical peer, or broadened the definitions in a way which has created considerable regulatory uncertainty as to how a peer review panel must be staffed. The narrower the credentials, and the more specialty requirements added, the more difficult it becomes to build and maintain an adequate network to conduct peer reviews. Similarly, removing basic requirements can create a network where appropriate peer review cannot be performed. Changes were made to the definition of clinical peer in the 2013 legislative session that enhanced the clinical requirements for peer matching; we believe those revisions were sufficient and the definition should not be altered any further.

The Department is also in opposition to the removal of the Insurance Department from the notice requirement as found in section four of this bill Our utilization review, grievance and appeal law is based on the NAIC Model which has been designated in the Affordable Care Act as the legislative model for a state to maintain statutory oversight of these programs for fully insured benefit plans. Connecticut enacted the NAIC Model and was designated as an NAIC Parallel State, meaning that our law adheres to the ACA requirements for utilization review, grievance and appeal procedures and as such, we may retain authority over the processes and not cede oversight or operations to the federal government which has a parallel process for self-funded plans. Included in the Model are provisions indicating that notices include the Insurance Regulatory Authority as the contact for consumer assistance. While there is no requirement for

the Healthcare Advocate to be included in the notices, the Department did include OHA at its own discretion. The Department provided contact information for both the Insurance Department Consumer Affairs Division which oversees the utilization review, grievance and appeals processes for the state, as well as the OHA office as a secondary consumer assistance resource. In the 2013 legislative session, sections 38a-591d and 38a-591f were amended to include references to the federal statutes which address the federal laws applicable to the self-funded programs. These references are inappropriate in state laws which govern fully insured programs. Therefore, while we believe the intent of the proposed deletion of the Insurance Department contact information in H.B. 5578 is to make it clear that self-funded plans can seek assistance from the OHA rather than the Insurance Department, we believe the more appropriate amendment would be to remove the references to the federal statutes which refer to the federal program and not the state insurance laws as enacted in sections 38a-591a *et seq*.

The Department thanks the Insurance Committee Chairs and members for the opportunity to provide this testimony on this bill. We respectfully request that H.B. 5578 not be given a Joint Favorable report.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than $4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry Each year, the Department returns an average of $100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization

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Quality is Our Bottom Line

Insurance Committee Public Hearing

Tuesday, March 18, 2014

Connecticut Association of Health Plans

Testimony Regarding

HB 5578 AAC THE HEALTH INSURANCE GRIEVANCE PROCESS FOR ADVERSE DETERMINATIONS

The Connecticut Association of Health Plans is pleased to support the technical changes incorporated in HB 5578 which clarify that a health care professional may ***"approve"*** a utilization review decision, but that *only* a clinical peer may sign-off on a denial which was the intent of stakeholders in passage of last year's Public Act 13-3 which inadvertently changed the law to require that clinical peers also "approve" such decisions. The Association appreciates the Committee's willingness to make the correction.

We do, however, have concerns about section 1 of the bill which requires that only a psychiatrist review a psychiatrist and that only a psychologist review a psychologist. First, there are practical considerations as to the achievability of the standard given the availability of practitioners in the field. Secondly, even providing for such oversight, there is confusion around the language used to identify the qualifications for the psychologists who would do the reviews. For psychiatry, "holds a national board certification in psychiatry" is appropriate However, the language stating, "holds a national board certification in psychology" is problematic in that while there is a certification board for psychology, it isn't recognized as required standard of practice. As we understand it, board certification isn't required for licensure nor for independent practice and generally it isn't a requirement for staff privileges at clinics or other agencies. It's more of a "specialty" certificate that isn't necessarily required to deem someone as qualified in the field. Thirdly, psychiatrists hold a degree of medical training that psychologists do not and there are certain situations, particularly as they relate to co-morbidity, that correctly call for review by someone with a medical background. We hope the Committee will continue a discussion on this section of the bill.

Finally, while the industry generally favors a reduction in regulatory oversight, we would respectfully question the removal of the Department of Insurance consumer affairs division in terms of such oversight in lieu of that provided by the Healthcare Advocate and suggest that the DOI is the more appropriate entity to have such authority.

Thank you for your consideration

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