



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2020 Legislative Session

**HOUSE BILL 5015
AN ACT CONCERNING THE GOVERNOR'S BUDGET
RECOMMENDATIONS FOR HUMAN SERVICES**

Summary of Proposal:

This bill makes the following changes:

Section 1. Implement Third Party Liability Prompt Pay Requirement to Adjudicate Health Care Claims and Statute of Limitations on Refunds. When the Department of Social Services (DSS), or the department's agent, bills a health insurance company for health care services or equipment that have been provided under HUSKY Health, the processing of these claims can be delayed, sometimes indefinitely, or simply ignored. The Governor is proposing to institute a prompt pay requirement such that a legally liable third party, upon receipt of a claim submitted by DSS (or its agent) for payment of a medical service covered under HUSKY Health will be required to adjudicate the claim and either make payment or request information necessary to determine its legal obligation to pay the claim within 90 days of receipt of the claim. The legally liable third party will then have an uncontestable obligation to pay the submitted claim within 120 days of receipt of this claim. This proposal is consistent with prompt payment standards that are common practice in the health insurance industry and is expected to reduce state Medicaid requirements by \$2.0 million in FY 2021.

This bill also requires legally liable third parties (i.e., health insurance companies) that have reimbursed DSS for health care services or equipment covered under HUSKY Health and have subsequently determined that they are not liable for those costs, to request any refund from DSS within twelve months of the date of the department's initial payment. By doing so, this provision limits the state's exposure to unforeseen and unbudgeted costs.

Section 2. Maintain FY 2020 Rates for Natchaug Hospital. Last session, funding was added to increase Natchaug Hospital's inpatient per diem rate from \$829 to \$975 beginning in FY 2021. Under this bill, the department will continue to reimburse for inpatient services at the hospital's current Medicaid inpatient per diem rate. State savings of \$454,000 in FY 2021 are anticipated.

Reason for Proposal:

Legislation is required to implement the Governor's Budget.

Significant Impacts:

In total, the above initiatives will result in state savings of \$2.4 million in FY 2021.

Contacts:

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