



**TESTIMONY
OF THE
CONNECTICUT HOSPITAL ASSOCIATION
INSURANCE AND REAL ESTATE COMMITTEE**

Thursday, March 7, 2002

SB 519, An Act Concerning Deficiencies In Health Insurance Claim Information

HB 5569, An Act Concerning Health Insurance Claim And Payment Recovery

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony on **SB 519, An Act Concerning Deficiencies In Health Insurance Claim Information** and on **HB 5569, An Act Concerning Health Insurance Claims And Payment Recovery**.

Both bills seek to clarify certain aspects of insurance law that affect Connecticut's hospitals.

CHA supports SB 519. SB 519 would shorten the time within which that an insurer may request additional information for processing a health claim. It would also restrict an insurer's ability to delay payment based on missing information if the information is not material to processing the claim. CHA believes that these changes are entirely consistent with an insurer's duty to pay claims in a timely manner, and that the bill, if passed, would reduce the potential for insurer abuses in the form of payment denials or delays based on technical deficiencies and clerical errors.

CHA also supports HB 5569, which expands the definition of "Utilization review" and imposes clear notice requirements and time frames with respect to a utilization review company's processing of information. The bill also adds a time limit on an insurer's ability to recover payments, in that it would require an insurer who wishes to seek recovery of a payment to provide written notice of the intent to recover and proper identification of the claim within 120 days after paying the claim. HB 5569, like SB 519, would serve to reduce the potential for insurers' abuse of payment obligations.

CHA points out that while these two bills address the same existing statute, HB 5569 does not include all the protective provisions proposed by SB 519. CHA therefore respectfully suggests that the protection provisions of both bills be combined into one.

Thank you for your consideration.