

IMPORTANT: Read Instructions on bottom of Certification Page before completing this form. Failure to comply with instructions may cause disapproval of proposed regulations.

# REGULATION

OF

NAME OF AGENCY  
INSURANCE DEPARTMENT

5857

## High Deductible Health Plans for Health Care Centers

### SECTION 1

The Regulations of Connecticut State Agencies are amended by adding sections 38a-192-1 to 38a-192-3, inclusive, as follows:

(NEW) Section 38a-192-1 Definitions  
As used in Sections 38a-192-1 to 38a-192-3 inclusive:

- (1) "Annual" means any 12 month period as determined by the contract;
- (2) "Commissioner" means the Insurance Commissioner;
- (3) "Copay" means a flat fee that an enrollee or member is required to pay each time a specified service is rendered;
- (4) "Deductible" means the amount of covered expenses which must be accumulated annually before benefits become payable as additional covered expenses incurred;
- (5) "Enrollee" means "enrollee" as defined in section 38a-175(14) of the Connecticut General Statutes;
- (6) "Health Care Center" means "health care center" as defined in section 38a-175(9) of the Connecticut General Statutes;
- (7) "High Deductible Plan" means a contract for health care services that has an annual deductible for individuals of not less than \$1,500 for in-network services and an annual deductible for families of not less than \$3,000;
- (8) "Member" means "member" as defined in section 38a-175(14) of the Connecticut General Statutes; and
- (9) "Provider" means "provider" as defined in section 38a-175(19) of the Connecticut General Statutes.

(NEW) Section 38a-192-2 Method of Providing Access to Health Care

- (a) In addition to the methods set forth in section 38a-177 of the Connecticut General Statutes and subject to section 38a-183 of the Connecticut General Statutes, a health care center may provide access to health care through the use of a high deductible plan.
- (b) Only expenses for health care services that are generally covered by the non-deductible portion of the contract may be applied against the deductible. This restriction includes limitations on particular providers, including in-network and out-of-network providers, if any, as set forth in the contract.
- (c) Deductibles shall not be limited to single benefit services only.
- (d) The expense for health care services applied against the deductible shall be the actual amount paid to the provider by the member, enrollee or their designee on behalf of the member or enrollee, excluding any amounts in excess of the negotiated allowable expense and any copay amounts paid by the member, enrollee or their designee on behalf of the member or enrollee.
- (e) If a high deductible health plan is intended to be federally tax qualified, there shall be disclosure on the face page of the policy in quarter inch type or contrasting color that states: "This policy is intended to be federally tax qualified. Approval by the Insurance Department does not guarantee tax qualification and members and enrollees are encouraged to seek the counsel of a tax advisor".

(NEW) Section 38a-192-3 Reporting of High Deductible Plans

Each health care center shall report all high deductible plan business pursuant to the financial reporting requirements established by the National Association of Insurance Commissioners and the Insurance Department.

**Statement of purpose:** Health care centers are restricted to providing access to health care as set forth in sections 38a-177 and 38a-192 of the Connecticut General Statutes. These statutes permit methods of providing access to care as set forth

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in the Federal Health Maintenance Organization Act or as determined by the commissioner by regulation. As of January 1, 2004, the Federal Health Maintenance Organization Act provision permitting high deductible health plans expired. The purpose of this regulation is to continue to permit health care centers to issue the same type of high deductible plans as originally permitted by the Federal Health Maintenance Organization Act.

**A. The problems, issues or circumstances that the regulation proposes to address.**

Health care centers are restricted to providing access to health care as set forth in sections 38a-177 and 38a-192 of the Connecticut General Statutes. These statutes permit methods of providing access to care as set forth in the Federal Health Maintenance Organization Act or as determined by the commissioner by regulation. The Federal Health Care Maintenance Organization Act prohibits deductibles, but had been amended to allow minimum levels of high deductibles. As of January 1, 2004, the Federal Health Maintenance Organization Act provision permitting high deductible health plans expired. This regulation allows health care centers to continue to sell high deductible plans in Connecticut, thereby expanding affordable health care options to both individuals and employers. This type of plan is necessary to be sold in conjunction with Health Savings Accounts that provide some tax benefits.

**B. A summary of the main provisions of the regulation**

The regulation permits health care centers to offer high deductible plans. It also sets some guidelines as to those services that will be applied against the annual deductible. The deductible cannot be applied to a single service thereby making it a copay instead of an overall deductible. The amounts applied to the deductible must reflect any negotiated discounts. If the plan is intended to meet the requirements to be tax qualified, there must be disclosure that approval of the form by the Insurance Department does not guarantee that the plan meets the requirements of the Internal Revenue Code, and that the insured should seek the advice of a tax advisor.

**C. The legal effects of the regulation, including all ways that the regulation would change existing regulations or other laws.**

There is no impact on existing laws or regulations.

# CERTIFICATION

R-39 REV. 1/77

SECRETARY OF THE STATE  
LEGISLATION & ELECTIONS  
ADMINISTRATION DIVISION

5857

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Be it known that the foregoing:

Regulations  Emergency Regulations

Are:

Adopted  Amended as hereinabove stated  Repealed

By the aforesaid agency pursuant to:

Sections 38a-8, 38a-177, 38a-12 of the General Statutes.

Section \_\_\_\_\_ of the General Statutes, as amended by Public Act No. \_\_\_\_\_ of the \_\_\_\_\_ Public Acts.

Public Act No. \_\_\_\_\_ of the Public Acts.

After publication in the Connecticut Law Journal on, March 4, 2008 \_\_\_\_\_ of the notice of the proposal to:

Adopt  Amend  Repeal such regulations

(If applicable):  And the holding of an advertised public hearing on \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

WHEREFORE, the foregoing regulations are hereby:

Adopted  Amended as hereinabove stated  Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

Business Whereof:	DATE 7/2/08	SIGNED (Head of Board, Agency or Commission) <i>Thomas R. Sullivan</i>	OFFICIAL TITLE, DULY AUTHORIZED INSURANCE COMMISSIONER
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Approved by the Attorney General as to legal sufficiency In accordance with Sec. 4-169, as amended, C. G. S. :	SIGNED <i>William B. Sullivan</i>	DATE 7/17/08	OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY GENERAL
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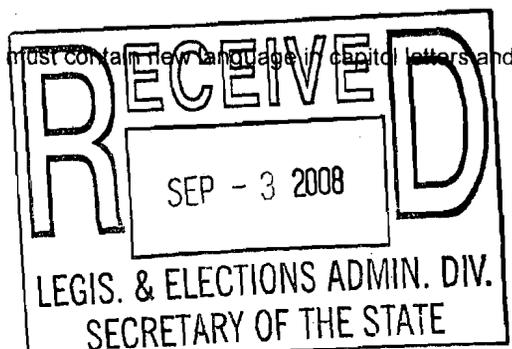
- Approved
- Disapproved
- Disapproved in part, (Indicate Section Numbers disapproved only)
- Rejected without prejudice.

By the Legislative Regulation Review Committee in accordance With Sec. 4-170, as amended, of the General Statutes.	DATE 8/26/08	SIGNED (Clerk of the Legislative Regulation Review Committee) <i>Camela B. Booth</i>
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications  
In accordance with Section 4-172, as amended, of the General Statutes.

DATE 9-3-2008	SIGNED (Secretary of the State) <i>Susan Bismarck</i>	BY <i>Ben Radet</i>
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1. One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
2. Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
3. Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
4. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.



5857

Regulations  
OF

**Department of Insurance**

CONCERNING

**High Deductible Health Plans for Health Care Centers**

Approved by the Attorney General  
**July 17, 2008**

Approved by the Legislative Regulation  
Review Committee of General Assembly

**August 26, 2008**

Received and filed in the Office of the  
Secretary of the State

September 3, 2008

**Effective Date: September 3, 2008**

Published in Connecticut Law Journal