State of Connecticut

THOMAS R. SULLIVAN
INSURANCE COMMISSIONER

P. O. BOX 816
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Hartford

November 5, 2007

Kevin P. Lembo
State Healthcare Advocate
P.O. Box 1543
Hartford, CT 06144

Dear Mr. Lembo:

My legal staff has reviewed Public Act 07-2 regarding the Charter Oak Health Plan and has opined that the Insurance Department's jurisdiction over this plan is limited based on the language found in § 23(e) of PA 07-2.

The language in this section is clear. When referring to a health care center subject to the provisions of chapter 698a, the legislature intended that any health care center selected by DSS to provide these services is subject to licensing and financial overview by the Insurance Department. This is consistent with existing state insurance law, including Section 38a-41, C.G.S. which indicates that no health care center may do business in Connecticut without a license issued by the Insurance Commissioner. The consortia specified in the Act, on the other hand, are not subject to Insurance Department oversight, but rather are subject fully to DSS regulation, including DSS setting the minimum reserve fund requirements.

In addition, the Department believes the legislative intent supports our position that regulation of the health care center by the Insurance Department extends to financial regulation, and not benefits, forms and rate filings. This is the same approach followed by DSS and the Insurance Department today with Medicaid products based on very similar statutory language [Section 17b-266(b), C.G.S,]. Further, the Medicaid products are subject to significant federal requirements, and I note that the DSS prospectus related to the RFP for Husky A and B and Charter Oak, indicates DSS's intent to apply for federal financial participation in portions of Charter Oak. The Insurance Department does not regulate benefits, forms, and rates related to social programs which are not sold in the commercial insurance market.

I hope this letter adequately responds to your request. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Thomas R. Sullivan
Insurance Commissioner