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## OLR Bill Analysis

### HB 7116

#### ***AN ACT CONCERNING INSURANCE ACCOUNTABILITY AND TRANSPARENCY.***

#### **SUMMARY**

This bill prohibits revenue neutrality clauses in health care contracts beginning July 1, 2025. Specifically, it prohibits health care providers, health carriers (e.g., insurers or HMOs), health plan administrators, and any agent or entity contracting on their behalf from offering, soliciting, requesting, amending, renewing, or entering a health care contract on or after July 1, 2025, that includes a revenue neutrality clause. The bill makes null and void any such clause in a health care contract, written policy or procedure, or agreement entered into, renewed, or amended on or after July 1, 2025. Under the bill, a “revenue neutrality clause” is a health care contract provision that requires a health carrier or health plan administrator to indemnify or hold harmless a health care provider.

Separately, the bill requires the Office of Health Strategy (OHS) commissioner to annually, beginning by March 1, 2026, give the insurance commissioner the prior year’s aggregated payer data, including aggregated self-funded data, submitted to OHS for purposes of calculating the healthcare cost growth benchmark and primary care spending target (see BACKGROUND). Under the bill, the insurance commissioner may hire a third party (i.e. actuary, actuarial firm, or other independent expert) as needed to audit the data. Upon completion of an audit, the auditor must submit a written audit report to the insurance and OHS commissioners and the Insurance and Real Estate and Public Health committees.

**EFFECTIVE DATE:** Upon passage, except the provisions on revenue neutrality clauses are effective July 1, 2025.

## **BACKGROUND**

### ***Health Care Benchmarks***

State law requires OHS to establish benchmarks for health care quality and cost growth and primary care spending targets. It also requires health care payers to provide the OHS commissioner with specified health care cost and quality data, which she must use to publish annual reports on the total health care expenditures in Connecticut, health care quality benchmarks, and information on payers and provider entities that meet or exceed these metrics (CGS §§ 19a-754g & 19a-754h).

## **COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 11      Nay 2      (03/13/2025)