



General Assembly

Amendment

February Session, 2026

LCO No. 6105



Offered by:

SEN. LOONEY, 11th Dist.
SEN. CABRERA, 17th Dist.
SEN. HWANG, 28th Dist.
SEN. ANWAR, 3rd Dist.
SEN. GORDON, 35th Dist.

To: Senate Bill No. 342

File No. 223

Cal. No. 178

"AN ACT CONCERNING HEALTH COVERAGE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2026*) (a) For purposes of this
4 section:

5 (1) "Health care provider" has the same meaning as provided in
6 section 38a-477aa of the general statutes;

7 (2) "Health carrier" has the same meaning as provided in section 38a-
8 1080 of the general statutes; and

9 (3) "Downcode" means any adjustment of a health benefit claim by
10 any insurer, health care center, hospital service corporation, medical
11 service corporation, fraternal benefit society or other entity to a less

12 complex or lower cost billing code in order to provide a lower
13 reimbursement to a health care provider for such health benefit claim
14 than is required for the actual service performed pursuant to such
15 contract between such health care provider and such insurer, center,
16 corporation society or other entity.

17 (b) Any health carrier who uses a software tool, including, but not
18 limited to, artificial intelligence or an algorithm, to automatically
19 downcode or deny a health insurance claim submitted by a health care
20 provider shall provide electronic notice to such health care provider of
21 the downcode or denial of such claim not later than ten days after such
22 health carrier processes such claim. Such notice shall include (1) an
23 explanation for the downcode or denial of such claim, including a
24 clinical rationale for such downcode or denial, and (2) a description of
25 the process for a health carrier to appeal such claim.

26 (c) Not later than sixty days after the receipt of the notice required
27 pursuant to subsection (b) of this section, a health care provider may
28 appeal such downcode or denial, in accordance with the procedures
29 provided by the health carrier, which shall include, but need not be
30 limited to, an electronic appeal process. If any such health carrier fails
31 to notify the health care provider of such health carrier's determination
32 of such appeal not later than thirty business days after receipt of such
33 appeal from such provider, such appeal shall be construed in favor of
34 such provider.

35 (d) Not later than March 1, 2028, and annually thereafter, each health
36 carrier shall submit a report to the Insurance Commissioner, in a form
37 and manner prescribed by the commissioner, containing the following
38 information for the immediately preceding calendar year:

39 (1) The number of claims that were downcoded using a software tool,
40 including, but not limited to, artificial intelligence or an algorithm, to
41 automatically downcode or deny a health insurance claim submitted by
42 a health care provider; and

43 (2) The percentage of such claims, identified by the type of health care
44 provider, that were downcoded."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	New section