



# Senate

General Assembly

**File No. 450**

February Session, 2026

Substitute Senate Bill No. 87

*Senate, April 7, 2026*

The Committee on Human Services reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT ESTABLISHING A NONPROFIT PROVIDER ADVISORY BOARD, PROHIBITING AUTO INSURANCE PENALTIES ON VOLUNTEER DRIVERS PROVIDING TRANSPORTATION TO NONPROFIT ORGANIZATIONS AND REDUCING THE TIME PERIOD IN WHICH INSURERS MAY RECOUP PAYMENTS FROM PROVIDERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) There is established within  
2 the Office of Policy and Management a Nonprofit Provider Advisory  
3 Board for the purpose of advising the Governor and the Office of Policy  
4 and Management on the matters set forth in subsection (c) of this  
5 section.

6 (b) (1) The Nonprofit Provider Advisory Board shall consist of the  
7 following members:

8 (A) Ten members appointed by the Governor;

9 (B) Two nonprofit providers of adult behavioral health care, one of  
10 whom shall be a nonprofit provider that contracts with the Department

11 of Mental Health and Addiction Services, appointed by the speaker of  
12 the House of Representatives;

13 (C) Two nonprofit providers of children's behavioral health care, one  
14 of whom shall be a nonprofit provider that contracts with the  
15 Department of Children and Families, appointed by the president pro  
16 tempore of the Senate;

17 (D) One nonprofit provider of services for homeless persons, who  
18 shall be a nonprofit provider that contracts with the Department of  
19 Housing, appointed by the majority leader of the House of  
20 Representatives;

21 (E) Two nonprofit providers of services for persons with intellectual  
22 disability, one of whom shall be a nonprofit provider that contracts with  
23 the Department of Developmental Services, appointed by the majority  
24 leader of the Senate;

25 (F) Two nonprofit providers of services for persons with co-occurring  
26 intellectual disability or developmental disabilities and behavioral  
27 health care needs, one of whom shall be a nonprofit provider that  
28 contracts with the Department of Developmental Services or the  
29 Department of Social Services, appointed by the minority leader of the  
30 House of Representatives;

31 (G) One nonprofit provider of community justice services, who shall  
32 be a nonprofit provider that contracts with the Department of  
33 Correction, appointed by the minority leader of the Senate;

34 (H) The chief executive officer of a state-wide association of  
35 community nonprofits, or the chief executive officer's designee;

36 (I) The Secretary of the Office of Policy and Management, or the  
37 secretary's designee;

38 (J) The executive finance officer of the Office of Policy and  
39 Management, or the executive finance officer's designee;

40 (K) The Commissioner of Children and Families, or the  
41 commissioner's designee;

42 (L) The Commissioner of Correction, or the commissioner's designee;

43 (M) The Commissioner of Developmental Services, or the  
44 commissioner's designee;

45 (N) The Commissioner of Housing, or the commissioner's designee;

46 (O) The Commissioner of Mental Health and Addiction Services, or  
47 the commissioner's designee;

48 (P) The Commissioner of Public Health, or the commissioner's  
49 designee;

50 (Q) The Commissioner of Aging and Disability Services, or the  
51 commissioner's designee;

52 (R) The Commissioner of Social Services, or the commissioner's  
53 designee;

54 (S) The Commissioner of Early Childhood, or the commissioner's  
55 designee; and

56 (T) The executive director of the Court Support Services Division of  
57 the Judicial Branch, or the executive director's designee.

58 (2) The term of each appointed member of the board shall be  
59 coterminous with the term of the appointing authority for each member.

60 (c) The Nonprofit Provider Advisory Board shall:

61 (1) Advise on areas to improve access and the delivery of services by  
62 nonprofit providers;

63 (2) Identify opportunities for collaboration across state agencies that  
64 promote effectiveness and efficiency of nonprofit providers and  
65 streamline state processes, including, but not limited to, identifying and  
66 eliminating duplicative or overly burdensome nonprofit provider

67 reporting requirements;

68 (3) Recommend short-term and long-term strategies for enhancing  
69 the financial viability of nonprofit providers, including, but not limited  
70 to, a review of nonprofit provider contract rates and whether such  
71 contract rates adequately compensate nonprofit providers for their  
72 work, and payment reform models, based on identified best practices;

73 (4) Recommend a standardized workforce data collection system for  
74 nonprofit providers to measure and compare impact across private  
75 provider services; and

76 (5) Identify short and long-range opportunities, issues and gaps  
77 pertaining to nonprofit providers that may result from changes in  
78 federal funding or federal policies.

79 Sec. 2. (NEW) (*Effective January 1, 2027*) No insurer shall refuse to  
80 renew any automobile liability insurance policy, as defined in  
81 section 38a-341 of the general statutes, assign any surcharge on any  
82 automobile liability insurance premium or otherwise increase the rate  
83 for a motor vehicle policy solely on the basis that the named insured or  
84 any operator who customarily operates an automobile insured under  
85 the policy is a volunteer driver who provides services, including, but  
86 not limited to, transporting individuals or goods without compensation  
87 above expenses to (1) a corporation, as defined in section 33-1002 of the  
88 general statutes, that is nonprofit, or (2) a charitable organization, as  
89 defined in section 21a-190 of the general statutes.

90 Sec. 3. (NEW) (*Effective January 1, 2027*) No insurer, health care center,  
91 fraternal benefit society, hospital service corporation, medical service  
92 corporation or other entity delivering, issuing for delivery, renewing,  
93 amending or continuing an individual or group health insurance policy  
94 in this state on or after January 1, 2027, providing coverage of the type  
95 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of  
96 the general statutes, shall retroactively deny or recoup payment of any  
97 health insurance claim paid to any health care provider for an  
98 authorized covered service after twelve months from the date of the

99 receipt of a clean claim for such service. For the purposes of this section,  
100 "health care provider" has the same meaning as provided in section 38a-  
101 477aa of the general statutes.

102 Sec. 4. Subsection (c) of section 38a-479b of the general statutes is  
103 repealed and the following is substituted in lieu thereof (*Effective January*  
104 *1, 2027*):

105 (c) (1) No contracting health organization shall cancel, deny or  
106 demand the return of full or partial payment for an authorized covered  
107 service due to administrative or eligibility error, more than [eighteen]  
108 twelve months after the date of the receipt of a clean claim, except if:

109 (A) Such organization has a documented basis to believe that such  
110 claim was submitted fraudulently by such provider;

111 (B) The provider did not bill appropriately for such claim based on  
112 the documentation or evidence of what medical service was actually  
113 provided;

114 (C) Such organization has paid the provider for such claim more than  
115 once;

116 (D) Such organization paid a claim that should have been or was paid  
117 by a federal or state program; or

118 (E) The provider received payment for such claim from a different  
119 insurer, payor or administrator through coordination of benefits or  
120 subrogation, or due to coverage under an automobile insurance or  
121 workers' compensation policy. Such provider shall have one year after  
122 the date of the cancellation, denial or return of full or partial payment to  
123 resubmit an adjusted secondary payor claim with such organization on  
124 a secondary payor basis, regardless of such organization's timely filing  
125 requirements.

126 (2) (A) Such organization shall give at least thirty days' advance  
127 notice to a provider by mail, electronic mail or facsimile of the  
128 organization's cancellation, denial or demand for the return of full or

129 partial payment pursuant to subdivision (1) of this subsection.

130 (B) If such organization demands the return of full or partial payment  
131 from a provider, the notice required under subparagraph (A) of this  
132 subdivision shall disclose to the provider (i) the amount that is  
133 demanded to be returned, (ii) the claim that is the subject of such  
134 demand, and (iii) the basis on which such return is being demanded.

135 (C) Not later than thirty days after the receipt of the notice required  
136 under subparagraph (A) of this subdivision, a provider may appeal such  
137 cancellation, denial or demand in accordance with the procedures  
138 provided by such organization. Any demand for the return of full or  
139 partial payment shall be stayed during the pendency of such appeal.

140 (D) If there is no appeal or an appeal is denied, such provider may  
141 resubmit an adjusted claim, if applicable, to such organization, not later  
142 than thirty days after the receipt of the notice required under  
143 subparagraph (A) of this subdivision or the denial of the appeal,  
144 whichever is applicable, except that if a return of payment was  
145 demanded pursuant to subparagraph (C) of subdivision (1) of this  
146 subsection, such claim shall not be resubmitted.

147 (E) A provider shall have one year after the date of the written notice  
148 set forth in subparagraph (A) of this subdivision to identify any other  
149 appropriate insurance coverage applicable on the date of service and to  
150 file a claim with such insurer, health care center or other issuing entity,  
151 regardless of such insurer's, health care center's or other issuing entity's  
152 timely filing requirements.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2027</i>	New section
Sec. 3	<i>January 1, 2027</i>	New section
Sec. 4	<i>January 1, 2027</i>	38a-479b(c)

**Statement of Legislative Commissioners:**

The title was changed; in Section 1(b)(2), "that of the Governor or the legislator who appoints the" was changed to "the term of the appointing authority for each" for conformity with standard drafting conventions; and in Sections 1(c)(3) and 1(c)(4), "nonprofit provider organizations" and "nonprofit organizations" were changed to "nonprofit providers" for consistency.

**HS**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Policy & Mgmt., Off.	GF - Cost	148,170	146,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	60,900	60,900

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill establishes an advisory board with the Office of Policy and Management (OPM) to advise on matters relating to nonprofit providers. This results in a cost of \$148,70 in FY 27 and an annual cost of \$146,000 beginning in FY 28 to OPM for a Policy Development Coordinator position to assist in staffing and facilitating policy and administrative actions identified by the Board. There is also an annual cost of \$60,900 to the Office of the State Comptroller beginning in FY 27 for associated fringe benefit costs.

The bill makes other various changes to insurance that does not result in a fiscal impact to the state or municipalities.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

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**OLR Bill Analysis****sSB 87*****AN ACT ESTABLISHING A NONPROFIT PROVIDER ADVISORY BOARD, PROHIBITING AUTO INSURANCE PENALTIES ON VOLUNTEER DRIVERS PROVIDING TRANSPORTATION TO NONPROFIT ORGANIZATIONS AND REDUCING THE TIME PERIOD IN WHICH INSURERS MAY RECOUP PAYMENTS FROM PROVIDERS.*****SUMMARY**

This bill establishes a 33-member Nonprofit Provider Advisory Board within the Office of Policy and Management (OPM), to advise and make recommendations on nonprofit service delivery, financial viability, and funding opportunities, among other things.

The bill also makes changes in insurance-related laws. Specifically, it:

1. prohibits auto insurers from refusing to renew a motor vehicle policy or increasing the rates solely based on the insured's status as a volunteer driver;
2. prohibits health carriers from retroactively denying or recouping payment for individual or group health insurance claims later than 12 months after they receive the claim; and
3. reduces, from 18 months to 12 months, the time period after receiving a clean (complete and error-free) claim during which a contracting health organization (managed care organization or preferred provider network) may generally cancel, deny, or demand full or partial return of payment from a health care provider (for example, a physician) due to an administrative or eligibility error.

EFFECTIVE DATE: January 1, 2027, except the Nonprofit Provider Advisory Board provisions are effective upon passage.

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**§ 1 — NONPROFIT PROVIDER ADVISORY BOARD*****Advisory Board Purpose and Duties***

The bill establishes the advisory board within OPM to advise the governor and OPM on:

1. areas to improve access to and delivery of nonprofit provider services;
2. opportunities to collaborate across state agencies that promote nonprofit provider effectiveness and efficiency and streamline state processes, including identifying and eliminating duplicative or overly burdensome reporting requirements;
3. recommendations on short- and long-term strategies to enhance nonprofit provider financial viability, including a review of nonprofit provider contract rates and payment reform models, based on best practices;
4. a recommendation for a standardized workforce data collection system for nonprofit providers to measure and compare impact across private provider services; and
5. short- and long-range opportunities, issues, and gaps for nonprofit providers that may result from changes in federal funding or policies.

***Advisory Board Membership and Appointments***

In addition to appointed members (see below), the advisory board includes the following ex-officio members or their designees:

1. a state-wide association of community nonprofits chief executive officer;
2. the OPM secretary and OPM's executive finance officer;
3. the commissioners of the departments of Children and Families (DCF), Correction (DOC), Developmental Services (DDS), Housing (DOH), Mental Health and Addiction Services

(DMHAS), Public Health, Aging and Disability Services, and Social Services (DSS), and of the Office of Early Childhood; and

4. the Court Support Services Division's executive director.

The advisory board's appointed members are shown in the table below.

**Table: Advisory Board Appointed Members**

<i>Appointing Authority</i>	<i>Member(s)</i>
Governor	10 members
House speaker	Two nonprofit adult behavioral health care providers, one of which must contract with DMHAS
Senate president pro tempore	Two nonprofit children's behavioral health care providers, one of which must contract with DCF
House majority leader	One nonprofit provider serving homeless persons that contracts with DOH
Senate majority leader	Two nonprofit providers serving people with intellectual disabilities, one of which must contract with DDS
House minority leader	Two nonprofit providers serving people with co-occurring intellectual or developmental disabilities and behavioral health care needs, one of which must contract with DDS or DSS
Senate minority leader	One nonprofit community justice service provider that contracts with DOC

Under the bill, each appointed member's term ends with the term of the governor or legislator who made the appointment.

## **§ 2 — VOLUNTEER DRIVERS AND INSURANCE INCREASES**

The bill prohibits insurers from refusing to renew a motor vehicle policy or increasing the rate, including by assigning a surcharge on a premium, solely because the vehicle operator (or someone who customarily operates the vehicle insured under the policy) is a volunteer driver who provides services, such as transporting people or goods to nonprofit or charitable organizations without compensation above expenses.

## §§ 3 & 4 — RETROACTIVE HEALTH INSURANCE DENIALS

### ***Health Carriers***

The bill prohibits health carriers from retroactively denying or recouping payment for a clean claim more than 12 months after receiving the claim. The prohibition applies to health insurers; health care centers; fraternal benefit societies; hospital service corporations; medical service corporations; or other entities delivering, issuing, renewing, amending, or continuing individual or group health insurance policies in Connecticut on or after January 1, 2027, that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including those provided under an HMO plan. Because of the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

### ***Contracting Health Organizations***

Existing law prohibits contracting health organizations from canceling, denying, or demanding full or partial payment return for an authorized covered service later than 18 months after receiving a clean claim, with exceptions for certain circumstances (for example, duplicate claim submissions). The bill reduces this period to 12 months.

## **BACKGROUND**

### ***Related Bills***

SB 341 and sHB 5377, favorably reported by the Insurance and Real Estate Committee, have similar provisions on provider payment cancellation and denial and the return demand lookback period.

## **COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 15 Nay 7 (03/19/2026)