
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.

§ 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)