

HOUSE BILL No. 1086

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-7-17.

Synopsis: Medical payment coverage. Specifies that medical payment coverage is supplemental to coverage under a health plan or public health coverage program. Specifies that: (1) the amount paid under medical payment coverage must not exceed the amount to which the health care provider agreed as payment in full for a health care service under the covered individual's health plan or public health coverage program; and (2) the covered individual is not liable for any amount that exceeds the amount to which the health care provider agreed as described in (1).

Effective: July 1, 2017.

Frye R

January 5, 2017, read first time and referred to Committee on Insurance.



First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1086

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-17 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]:

4 **Chapter 17. Medical Payment Coverage**

5 **Sec. 1. As used in this chapter, "covered individual" means an**
6 **individual who is entitled to coverage under any of the following:**

- 7 (1) **A health plan.**
- 8 (2) **A public health coverage program.**

9 **Sec. 2. As used in this chapter, "health care services" has the**
10 **meaning set forth in IC 27-8-11-1.**

11 **Sec. 3. (a) As used in this chapter, "health plan" means a plan**
12 **through which coverage is provided for health care services**
13 **through insurance, prepayment, reimbursement, or otherwise. The**
14 **term includes the following:**

- 15 (1) **An employee welfare benefit plan (as defined in 29 U.S.C.**
16 **1002 et seq.).**
- 17 (2) **A policy of accident and sickness insurance (as defined in**



- 1 **IC 27-8-5-1).**
 2 **(3) An individual contract (as defined in IC 27-13-1-21) or a**
 3 **group contract (as defined in IC 27-13-1-16).**
 4 **(4) Accident only insurance.**
 5 **(5) Medicare supplement insurance.**
 6 **(b) The term does not include the following:**
 7 **(1) Credit, long term care, or disability income insurance.**
 8 **(2) Liability insurance coverage.**
 9 **(3) Worker's compensation or similar insurance.**
 10 **(4) Medical payment coverage.**
 11 **(5) A specified disease policy issued as an individual policy.**
 12 **(6) A policy that provides a stipulated daily, weekly, or**
 13 **monthly payment to an insured during hospital confinement,**
 14 **without regard to the actual expense of the confinement.**
 15 **Sec. 4. (a) As used in this chapter, "medical payment coverage"**
 16 **means an insurance policy benefit that provides payment for**
 17 **expenses incurred by an individual as a result of injury or illness**
 18 **arising from:**
 19 **(1) the operation of a motor vehicle; or**
 20 **(2) the individual's presence on a premises;**
 21 **that is covered by the insurance policy.**
 22 **(b) The term includes coverage for emergency medical**
 23 **transportation, health care services, and funeral and burial**
 24 **expenses.**
 25 **(c) The term does not include benefits provided by the**
 26 **following:**
 27 **(1) Liability insurance coverage.**
 28 **(2) A health plan.**
 29 **(3) A public health coverage program.**
 30 **Sec. 5. (a) As used in this chapter, "public health coverage**
 31 **program" refers to coverage for health care services that is**
 32 **provided under a state or federal government program.**
 33 **(b) The term includes the following:**
 34 **(1) The federal Medicare program (42 U.S.C. 1395 et seq.).**
 35 **(2) The federal Medicaid program (42 U.S.C. 1396 et seq.).**
 36 **(3) Any health care program provided by the federal**
 37 **Department of Veteran's Affairs or the federal Department of**
 38 **Defense for active, reserve, or retired military personnel and**
 39 **their dependents.**
 40 **(4) The healthy Indiana plan established by IC 12-15-44.5-3.**
 41 **(5) The children's health insurance program established by**
 42 **IC 12-17.6-2.**



1 **Sec. 6. (a) Medical payment coverage is supplemental to the**
 2 **benefits:**

3 **(1) to which a covered individual is entitled under a health**
 4 **plan or a public health coverage program; and**

5 **(2) that are the same or similar to benefits available to the**
 6 **covered individual under the medical payment coverage.**

7 **(b) A health plan or a public health coverage program may not**
 8 **require the use or exhaustion of medical payment coverage as a**
 9 **condition of payment of benefits:**

10 **(1) under the health plan or public health coverage program;**
 11 **and**

12 **(2) for health care services rendered to a covered individual.**

13 **Sec. 7. In the absence of health plan or public health coverage**
 14 **program benefits that are the same or similar to benefits available**
 15 **to an individual under medical payment coverage, the medical**
 16 **payment coverage is primary coverage.**

17 **Sec. 8. (a) The amount of a payment made:**

18 **(1) to a health care provider under medical payment**
 19 **coverage; and**

20 **(2) for a health care service rendered by the health care**
 21 **provider to an individual entitled to coverage for the health**
 22 **care service under a health plan or public health coverage**
 23 **program;**

24 **may not exceed the amount of payment to which the health care**
 25 **provider agreed as payment in full for the health care service**
 26 **under the individual's health plan or public health coverage**
 27 **program.**

28 **(b) An individual described in subsection (a) is not liable:**

29 **(1) individually; or**

30 **(2) through medical payment coverage available to the**
 31 **individual;**

32 **to a health care provider for any amount that exceeds the payment**
 33 **to which the health care provider has agreed as described in**
 34 **subsection (a).**

35 **(c) To the extent that this section conflicts with IC 27-1-37.3, this**
 36 **section is controlling.**

37 **Sec. 9. A contractual provision that is:**

38 **(1) contained in a contract entered into, amended, or renewed**
 39 **after June 30, 2017; and**

40 **(2) contrary to this chapter;**

41 **is void.**

