

# HOUSE BILL No. 1142

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## 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, 2018.

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January 8, 2018, read first time and referred to Committee on Insurance.

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Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

# HOUSE BILL No. 1142

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, 2018]:

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 the:**  
 19               **(1) operation of a motor vehicle; or**  
 20               **(2) 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 Veterans 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 as 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 as or similar to benefits**  
 15 **available to an individual under medical payment coverage, the**  
 16 **medical 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, 2018; and**

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

41 **is void.**

