

HOUSE BILL No. 1273

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-16.5-1; IC 27-8-11; IC 27-13-36.3.

Synopsis: Health provider notice to covered individuals. Requires a health provider that has not entered into a payment agreement with a health carrier and provides health care services to a covered individual in a facility that has entered into a payment agreement with the health carrier to inform the covered individual that payment made to the health provider by the health carrier may not be payment in full. Makes conforming amendments.

Effective: July 1, 2017.

Baird

January 10, 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. 1273

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 4-13-16.5-1, AS AMENDED BY P.L.114-2010,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 1. (a) The definitions in this section apply
4 throughout this chapter.

5 (b) "Commission" refers to the governor's commission on minority
6 and women's business enterprises established under section 2 of this
7 chapter.

8 (c) "Commissioner" refers to the deputy commissioner for minority
9 and women's business enterprises of the department.

10 (d) "Contract" means any contract awarded by a state agency or, as
11 set forth in section 2(f)(11) of this chapter, awarded by a recipient of
12 state grant funds, for construction projects or the procurement of goods
13 or services, including professional services. For purposes of this
14 subsection, "goods or services" may not include the following when
15 determining the total value of contracts for state agencies:

- 16 (1) Utilities.
- 17 (2) Health care services (as defined in ~~IC 27-8-11-1(c)~~).



- 1 **IC 27-8-11-1(d).**
 2 (3) Rent paid for real property or payments constituting the price
 3 of an interest in real property as a result of a real estate
 4 transaction.
 5 (e) "Contractor" means a person or entity that:
 6 (1) contracts with a state agency; or
 7 (2) as set forth in section 2(f)(11) of this chapter:
 8 (A) is a recipient of state grant funds; and
 9 (B) enters into a contract:
 10 (i) with a person or entity other than a state agency; and
 11 (ii) that is paid for in whole or in part with the state grant
 12 funds.
 13 (f) "Department" refers to the Indiana department of administration
 14 established by IC 4-13-1-2.
 15 (g) "Minority business enterprise" or "minority business" means an
 16 individual, partnership, corporation, limited liability company, or joint
 17 venture of any kind that is owned and controlled by one (1) or more
 18 persons who are:
 19 (1) United States citizens; and
 20 (2) members of a minority group or a qualified minority nonprofit
 21 corporation.
 22 (h) "Qualified minority or women's nonprofit corporation" means a
 23 corporation that:
 24 (1) is exempt from federal income taxation under Section
 25 501(c)(3) of the Internal Revenue Code;
 26 (2) is headquartered in Indiana;
 27 (3) has been in continuous existence for at least five (5) years;
 28 (4) has a board of directors that has been in compliance with all
 29 other requirements of this chapter for at least five (5) years;
 30 (5) is chartered for the benefit of the minority community or
 31 women; and
 32 (6) provides a service that will not impede competition among
 33 minority business enterprises or women's business enterprises at
 34 the time a nonprofit applies for certification as a minority
 35 business enterprise or a women's business enterprise.
 36 (i) "Owned and controlled" means:
 37 (1) if the business is a qualified minority nonprofit corporation, a
 38 majority of the board of directors are minority;
 39 (2) if the business is a qualified women's nonprofit corporation,
 40 a majority of the members of the board of directors are women; or
 41 (3) if the business is a business other than a qualified minority or
 42 women's nonprofit corporation, having:



- 1 (A) ownership of at least fifty-one percent (51%) of the
 2 enterprise, including corporate stock of a corporation;
 3 (B) control over the management and active in the day-to-day
 4 operations of the business; and
 5 (C) an interest in the capital, assets, and profits and losses of
 6 the business proportionate to the percentage of ownership.
- 7 (j) "Minority group" means:
 8 (1) Blacks;
 9 (2) American Indians;
 10 (3) Hispanics; and
 11 (4) Asian Americans.
- 12 (k) "Separate body corporate and politic" refers to an entity
 13 established by the general assembly as a body corporate and politic.
- 14 (l) "State agency" refers to any authority, board, branch,
 15 commission, committee, department, division, or other instrumentality
 16 of the executive, including the administrative, department of state
 17 government.
- 18 SECTION 2. IC 27-8-11-1, AS AMENDED BY P.L.26-2005,
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2017]: Sec. 1. (a) The definitions in this section apply
 21 throughout this chapter.
- 22 **(b) "Contracted provider" means a provider that has entered**
 23 **into an agreement with an insurer under section 3 of this chapter.**
- 24 ~~(b)~~ (c) "Credentialing" means a process through which an insurer
 25 makes a determination:
 26 (1) based on criteria established by the insurer; and
 27 (2) concerning whether a provider is eligible to:
 28 (A) provide health care services to an insured; and
 29 (B) receive reimbursement for the health care services;
 30 under an agreement entered into between the provider and the
 31 insurer under section 3 of this chapter.
- 32 ~~(c)~~ (d) "Health care services":
 33 (1) means health care related services or products rendered or
 34 sold by a provider within the scope of the provider's license or
 35 legal authorization; and
 36 (2) includes hospital, medical, surgical, dental, vision, and
 37 pharmaceutical services or products.
- 38 ~~(d)~~ (e) "Insured" means an individual entitled to reimbursement for
 39 expenses of health care services under a policy issued or administered
 40 by an insurer.
- 41 ~~(e)~~ (f) "Insurer" means an insurance company authorized in this
 42 state to issue policies that provide reimbursement for expenses of



1 health care services.

2 **(g) "Noncontracted provider" means a provider that has not**
 3 **entered into an agreement with an insurer under section 3 of this**
 4 **chapter.**

5 ~~(g)~~ **(h) "Person" means an individual, an agency, a political**
 6 **subdivision, a partnership, a corporation, an association, or any other**
 7 **entity.**

8 ~~(g)~~ **(i) "Preferred provider plan" means an undertaking to enter into**
 9 **agreements with providers relating to terms and conditions of**
 10 **reimbursements for the health care services of insureds, members, or**
 11 **enrollees relating to the amounts to be charged to insureds, members,**
 12 **or enrollees for health care services.**

13 ~~(h)~~ **(j) "Provider" means an individual or entity duly licensed or**
 14 **legally authorized to provide health care services.**

15 SECTION 3. IC 27-8-11-12 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2017]: **Sec. 12. (a) As used in this section, "health care services"**
 18 **includes ambulance services.**

19 **(b) As used in this section, "insurer" includes an administrator**
 20 **licensed under IC 27-1-25 that pays or administers claims for**
 21 **benefits under a policy.**

22 **(c) As used in this section, "provider" includes an ambulance**
 23 **service provider.**

24 **(d) Except as provided in subsection (f), a noncontracted**
 25 **provider that renders health care services to an insured in a facility**
 26 **that is a contracted provider shall, before rendering the health care**
 27 **services, disclose to the insured the following:**

28 **(1) That the noncontracted provider has not entered into an**
 29 **agreement with the insurer to provide health care services to**
 30 **the insured.**

31 **(2) That the insured may be billed for any amount of the**
 32 **noncontracted provider's charges for the health care services**
 33 **that is not paid by the insurer.**

34 **(e) A disclosure required by subsection (d) must be:**

35 **(1) made in writing; and**

36 **(2) if included in a document containing consent for**
 37 **treatment, displayed conspicuously.**

38 **(f) A disclosure is not required under subsection (d) if either of**
 39 **the following applies:**

40 **(1) The insured is unconscious, incoherent, or incompetent, in**
 41 **which case the disclosure must be made to the insured's health**
 42 **care representative.**



1 **(2) The insured:**

2 **(A) arrives at a hospital that is required to provide**
 3 **emergency medical screening or care under 42 U.S.C.**
 4 **1395dd; and**

5 **(B) seeks emergency medical screening or care.**

6 SECTION 4. IC 27-13-36.3 IS ADDED TO THE INDIANA CODE
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2017]:

9 **Chapter 36.3. Payment to Nonparticipating Providers**

10 **Sec. 1. As used in this chapter, "health care services" includes**
 11 **ambulance services.**

12 **Sec. 2. As used in this chapter, "health maintenance**
 13 **organization" includes the following:**

14 **(1) A limited service health maintenance organization.**

15 **(2) A person that pays or administers claims on behalf of a**
 16 **health maintenance organization or limited service health**
 17 **maintenance organization.**

18 **Sec. 3. As used in this chapter, "nonparticipating provider"**
 19 **means a provider that has not entered into an agreement described**
 20 **in IC 27-13-1-24.**

21 **Sec. 4. As used in this chapter, "provider" includes an**
 22 **ambulance service provider.**

23 **Sec. 5. Except as provided in section 7 of this chapter, a**
 24 **nonparticipating provider that renders health care services to an**
 25 **enrollee in a facility that is a participating provider shall, before**
 26 **rendering the health care services, disclose to the enrollee the**
 27 **following:**

28 **(1) That the nonparticipating provider has not entered into an**
 29 **agreement with the health maintenance organization to**
 30 **render health care services to the enrollee.**

31 **(2) That the enrollee may, subject to IC 27-13-36-5 and**
 32 **IC 27-13-36-9, be billed for any amount of the**
 33 **nonparticipating provider's charges for the health care**
 34 **services for which payment is not made by the health**
 35 **maintenance organization.**

36 **Sec. 6. A disclosure required by section 5 of this chapter must**
 37 **be:**

38 **(1) made in writing; and**

39 **(2) if included in a document containing consent for**
 40 **treatment, displayed conspicuously.**

41 **Sec. 7. A disclosure is not required under section 5 of this**
 42 **chapter if either of the following applies:**



- 1 **(1) The enrollee is unconscious, incoherent, or incompetent, in**
- 2 **which case the disclosure must be made to the enrollee's**
- 3 **health care representative.**
- 4 **(2) The enrollee:**
- 5 **(A) arrives at a hospital that is required to provide**
- 6 **emergency medical screening or care under 42 U.S.C.**
- 7 **1395dd; and**
- 8 **(B) seeks emergency medical screening or care.**

