



Reprinted
March 3, 2016

ENGROSSED SENATE BILL No. 30

DIGEST OF SB 30 (Updated March 2, 2016 3:15 pm - DI 104)

Citations Affected: IC 27-1; IC 27-8; IC 27-13.

Synopsis: Accident and sickness insurance claim denials. Requires the department of insurance to develop, post, and maintain on the department's Internet web site information concerning internal and external grievances for accident and sickness insurance policies and health maintenance organization contracts. Provides for certain grievance related notice to be provided upon request. Requires the commissioner of insurance to analyze certain complaints received by the department and report a pattern of complaints to the legislative council. (The introduced version of this bill was prepared by the interim study committee on public health, behavioral health, and human services).

Effective: July 1, 2016.

**Miller Patricia, Leising,
Randolph Lonnie M**

(HOUSE SPONSORS — BROWN T, BROWN C, KOCH)

January 5, 2016, read first time and referred to Committee on Health & Provider Services.
January 28, 2016, amended, reported favorably — Do Pass.
February 1, 2016, read second time, ordered engrossed. Engrossed.
February 2, 2016, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 8, 2016, read first time and referred to Committee on Insurance.
February 25, 2016, reported — Do Pass.
March 2, 2016, read second time, amended, ordered engrossed.

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Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 30

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 27-1-3-33 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 33. The department shall develop, post, and maintain**
4 **on the department's Internet web site information concerning the**
5 **internal and external grievance procedures for accident and**
6 **sickness insurance policies and health maintenance organization**
7 **contracts. The department shall include on the web site:**
8 (1) **information concerning the process that a consumer**
9 **should follow in filing an internal grievance or an external**
10 **grievance; and**
11 (2) **a telephone number for the department where consumers**
12 **may call to obtain additional information.**
13 SECTION 2. IC 27-8-28-13 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 13. (a) An insurer shall**
15 **provide, at the request of the insured, covered individual, or legal**
16 **representative of the insured or covered individual, and upon**
17 **policy issuance, at each policy renewal, and with any notice of**

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1 **denial of a claim**, timely, adequate, and appropriate notice to each
 2 insured, **covered individual, or legal representative**, of:

- 3 (1) the grievance procedure required under this chapter;
 4 (2) the external grievance procedure required under IC 27-8-29;
 5 (3) information on how to file:
 6 (A) a grievance under this chapter; and
 7 (B) a request for an external grievance review under
 8 IC 27-8-29; **and**
 9 (4) a toll free telephone number through which a covered
 10 individual may contact the insurer at no cost to the covered
 11 individual to obtain information and to file grievances; **and**
 12 **(5) the address for the Internet web site established by the**
 13 **department under IC 27-1-3-33.**

14 (b) An insurer shall prominently display on all notices to covered
 15 individuals the toll free telephone number and the address at which a
 16 grievance or request for external grievance review may be filed.

17 SECTION 3. IC 27-8-28-19 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19. (a) An insurer shall
 19 each year file with the commissioner a description of the grievance
 20 procedure of the insurer established under this chapter, including:

- 21 (1) the total number of grievances handled through the procedure
 22 during the preceding calendar year;
 23 (2) a compilation of the causes underlying those grievances; and
 24 (3) a summary of the final disposition of those grievances.

25 (b) The information required by subsection (a) must be filed with
 26 the commissioner on or before March 1 of each year. The
 27 commissioner shall:

- 28 (1) make the information required to be filed under this section
 29 available to the public; and
 30 (2) prepare an annual compilation of the data required under
 31 subsection (a) that allows for comparative analysis.

32 (c) The commissioner may require any additional reports as are
 33 necessary and appropriate for the commissioner to carry out the
 34 commissioner's duties under this article.

35 **(d) The commissioner shall do the following:**

- 36 **(1) Compile and analyze complaints received by the**
 37 **department concerning a denial of coverage under an**
 38 **accident and sickness insurance policy for:**
 39 **(A) an investigational or experimental treatment; or**
 40 **(B) a treatment not considered to be medically necessary**
 41 **for a covered individual.**
 42 **(2) If the commissioner determines that a pattern of denials of**



1 coverage is evident through the analysis performed under
 2 subdivision (1), report the pattern to the legislative council in
 3 an electronic format under IC 5-14-6.

4 (3) Remove from a report made under subdivision (2) any
 5 information that could be used to identify an individual.

6 SECTION 4. IC 27-13-8-2 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) In addition to the
 8 report required by section 1 of this chapter, a health maintenance
 9 organization shall each year file with the commissioner the following:

10 (1) Audited financial statements of the health maintenance
 11 organization for the preceding calendar year prepared in
 12 conformity with statutory accounting practices prescribed or
 13 otherwise permitted by the department.

14 (2) A list of participating providers who provide health care
 15 services to enrollees or subscribers of the health maintenance
 16 organization.

17 (3) A description of the grievance procedure of the health
 18 maintenance organization:

19 (A) established under IC 27-13-10, including:

20 (i) the total number of grievances handled through the
 21 procedure during the preceding calendar year;

22 (ii) a compilation of the causes underlying those grievances;
 23 and

24 (iii) a summary of the final disposition of those grievances;
 25 and

26 (B) established under IC 27-13-10.1, including:

27 (i) the total number of external grievances handled through
 28 the procedure during the preceding calendar year;

29 (ii) a compilation of the causes underlying those grievances;
 30 and

31 (iii) a summary of the final disposition of those grievances;
 32 for each independent review organization used by the health
 33 maintenance organization during the reporting year.

34 (4) The percentage of providers credentialed by the health
 35 maintenance organization according to the most current standards
 36 or guidelines, if any, developed by the National Committee on
 37 Quality Assurance or a successor organization.

38 (5) The RBC report required under IC 27-1-36-25.

39 (6) The health maintenance organization's Health Plan Employer
 40 Data and Information Set (HEDIS) data.

41 (b) The information required by subsection (a)(2) through (a)(5)
 42 must be filed with the commissioner on or before March 1 of each year.



1 The audited financial statements required by subsection (a)(1) must be
 2 filed with the commissioner on or before June 1 of each year. The
 3 health maintenance organization's HEDIS data required by subsection
 4 (a)(6) must be filed with the commissioner on or before July 1 of each
 5 year. The commissioner shall:

6 (1) make the information required to be filed under this section
 7 available to the public; and

8 (2) prepare an annual compilation of the data required under
 9 ~~subsections~~ **subsection** (a)(3), (a)(4), and (a)(6) that allows for
 10 comparative analysis.

11 (c) Upon a determination by a health maintenance organization's
 12 auditor that the health maintenance organization:

13 (1) does not meet the requirements of IC 27-13-12-3; or

14 (2) is in the condition described in IC 27-13-24-1(a)(5);

15 the health maintenance organization shall notify the commissioner
 16 within five (5) business days after the auditor's determination.

17 (d) The commissioner may require any additional reports as are
 18 necessary and appropriate for the commissioner to carry out the
 19 commissioner's duties under this article.

20 **(e) The commissioner shall do the following:**

21 **(1) Compile and analyze complaints received by the**
 22 **department concerning a denial of coverage under an**
 23 **individual contract or a group contract for:**

24 **(A) an investigational or experimental treatment; or**

25 **(B) a treatment not considered to be medically necessary**
 26 **for an enrollee.**

27 **(2) If the commissioner determines that a pattern of denials of**
 28 **coverage is evident through the analysis performed under**
 29 **subdivision (1), report the pattern to the legislative council in**
 30 **an electronic format under IC 5-14-6.**

31 **(3) Remove from a report made under subdivision (2) any**
 32 **information that could be used to identify an individual.**

33 SECTION 5. IC 27-13-10-4 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) A health
 35 maintenance organization shall provide, **at the request of the enrollee,**
 36 **subscriber, or legal representative of the enrollee or subscriber,**
 37 **and upon contract issuance, at each contract renewal, and with any**
 38 **notice of denial of a claim,** timely, adequate, and appropriate notice
 39 to each enrollee, or subscriber, **or legal representative,** of:

40 **(1) the grievance procedure under this chapter and IC 27-13-10.1;**

41 **(2) information on how to file:**

42 **(A) a grievance under this chapter; and**



1 **(B) a request for an external grievance review under**
2 **IC 27-13-10.1; and**
3 **(3) the address for the Internet web site established by the**
4 **department under IC 27-1-3-33.**
5 (b) A health maintenance organization shall prominently display on
6 all notices to enrollees and subscribers the telephone number and
7 address at which a grievance may be filed.
8 (c) A written description of the enrollee's or subscriber's right to file
9 a grievance must be posted by the provider in a conspicuous public
10 location in each facility that offers services on behalf of a health
11 maintenance organization.



COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 30, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 15, after "provide" insert ", **at the request of the insured or covered individual and**".

Page 2, delete lines 30 through 42.

Page 3, line 1, reset in roman "(c)".

Page 3, line 1, delete "(d)".

Page 3, between lines 3 and 4, begin a new paragraph and insert:

"(d) The commissioner shall do the following:

(1) Compile and analyze complaints received by the department concerning a denial of coverage under an accident and sickness insurance policy for:

(A) an investigational or experimental treatment; or

(B) a treatment not considered to be medically necessary for a covered individual.

(2) If the commissioner determines that a pattern of denials of coverage is evident through the analysis performed under subdivision (1), report the pattern to the legislative council in an electronic format under IC 5-14-6.

(3) Remove from a report made under subdivision (2) any information that could be used to identify an individual."

Page 4, delete lines 15 through 30.

Page 4, line 31, reset in roman "(d)".

Page 4, line 31, delete "(e)".

Page 4, between lines 33 and 34, begin a new paragraph and insert:

"(e) The commissioner shall do the following:

(1) Compile and analyze complaints received by the department concerning a denial of coverage under an individual contract or a group contract for:

(A) an investigational or experimental treatment; or

(B) a treatment not considered to be medically necessary for an enrollee.

(2) If the commissioner determines that a pattern of denials of coverage is evident through the analysis performed under subdivision (1), report the pattern to the legislative council in an electronic format under IC 5-14-6.

(3) Remove from a report made under subdivision (2) any information that could be used to identify an individual."



Page 4, line 36, after "provide" insert ", **at the request of the enrollee or subscriber and**".

and when so amended that said bill do pass.

(Reference is to SB 30 as introduced.)

MILLER PATRICIA, Chairperson

Committee Vote: Yeas 9, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred Senate Bill 30, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 30 as printed January 29, 2016.)

CARBAUGH

Committee Vote: Yeas 8, Nays 0

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 30 be amended to read as follows:

Page 1, line 15, delete "insured or" and insert "**insured,**".

Page 1, line 15, after "individual" insert ", **or legal representative of the insured or covered individual,**".

Page 2, line 1, delete "and" and insert ",".

Page 2, line 1, after "individual" insert ", **or legal representative,**".

Page 4, line 34, after "enrollee" insert ",".

Page 4, line 35, delete "or subscriber" and insert "**subscriber, or legal representative of the enrollee or subscriber,**".

Page 4, line 37, after "enrollee" insert ",".

Page 4, line 37, strike "or".

Page 4, line 37, after "subscriber" insert ", **or legal representative,**".

(Reference is to ESB 30 as printed February 26, 2016.)

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