

SENATE BILL No. 206

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-11.

Synopsis: Noncontracted pediatric hospital coverage. Provides for referral of an insured to a pediatric hospital that has not entered into a participating provider agreement with an insurer. Specifies requirements for applicability and payment. Makes a conforming amendment.

Effective: July 1, 2015.

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January 6, 2015, read first time and referred to Committee on Health & Provider Services.



First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 206



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 27-8-11-4.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4.5. (a) An agreement
3 between an insurer and provider under section 3 of this chapter may not
4 prohibit a provider from disclosing:
5 (1) financial incentives to the provider; **or**
6 (2) all treatment options available to an insured, including those
7 not covered by the insured's policy.
8 (b) An insurer may not penalize a provider financially or in any
9 other manner for making a disclosure permitted under subsection (a).
10 (c) An insured is not entitled to coverage of a benefit or service
11 under a health insurance policy unless that benefit or service is
12 included in the insured's health insurance policy.
13 (d) **Except as provided in section 12 of this chapter**, a provider is
14 not entitled to payment under a policy for benefits or services provided
15 to an insured unless the provider has a contract or an agreement with
16 the insurer.



1 (e) This section applies to a contract entered, renewed, or modified
2 after June 30, 1996.

3 SECTION 2. IC 27-8-11-12 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2015]: Sec. 12. (a) As used in this section, "noncontracted
6 pediatric hospital" means a pediatric hospital that has not entered
7 into an agreement with an insurer under section 3 of this chapter.

8 (b) When an insured's treating provider determines that the
9 insured needs health care services provided at a pediatric hospital
10 and the insurer determines that the health care services needed by
11 the insured to treat a specific condition are:

12 (1) covered health care services; and

13 (2) not available from a pediatric hospital that has entered
14 into an agreement with the insurer under section 3 of this
15 chapter;

16 the treating provider and the insurer shall refer the insured to an
17 appropriate noncontracted pediatric hospital within a reasonable
18 amount of time and within a reasonable proximity of the insured.

19 (c) When an insured receives health care services from a
20 noncontracted pediatric hospital to which the insured was referred
21 as described in subsection (b), the insurer shall pay the
22 noncontracted pediatric hospital the lesser of the following:

23 (1) The usual, customary, and reasonable charge in the
24 insurer's service area for the health care services provided by
25 the noncontracted pediatric hospital.

26 (2) An amount agreed to between the insurer and the
27 noncontracted pediatric hospital.

28 The noncontracted pediatric hospital may collect from the insured
29 only the deductible, coinsurance, or copayment, if any, that the
30 insured would be responsible to pay if the health care services had
31 been provided by a pediatric hospital that has entered into an
32 agreement with the insurer under section 3 of this chapter. The
33 insured may not be billed by the insurer or by the noncontracted
34 pediatric hospital for any difference between the noncontracted
35 pediatric hospital's charge and the amount paid by the insurer to
36 the noncontracted pediatric hospital as provided in this section.

37 (d) An agreement between an insurer and a provider may not
38 provide for a financial or other penalty to the provider for making
39 a determination described in subsection (b).

