

## SENATE BILL No. 282

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-11-3.2; IC 27-13-15-1.5.

**Synopsis:** Health insurance reimbursement rates. Requires an insurer to provide notice to the department of insurance not later than 270 days prior to reducing a reimbursement rate paid to a contracted provider. Requires the department of insurance to hold a public hearing on the proposed reduction not later than 60 days after it is provided notice by the insurer. Requires an insurer proposing a reduction to attend the hearing and present evidence regarding: (1) the proposed change in the reimbursement rate; (2) the insurer's rationale for the proposed reduction; (3) the network adequacy; and (4) the procedure and timeline that will be used to notify contracted providers of the proposed reduction.

**Effective:** July 1, 2020.

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## Breaux

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January 9, 2020, read first time and referred to Committee on Insurance and Financial Institutions.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

# SENATE BILL No. 282

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 27-8-11-3.2 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2020]: **Sec. 3.2. (a) As used in this section, "contracted provider"**  
4 **means a provider that has entered into an agreement with an**  
5 **insurer under section 3 of this chapter.**

6 (b) **An insurer that intends to revise its terms and conditions of**  
7 **reimbursement for health care services under an agreement with**  
8 **a contracted provider to reduce the amount paid to the contracted**  
9 **provider for a health care service must provide written notice to**  
10 **the commissioner not later than two hundred seventy (270) days**  
11 **prior to the proposed revision.**

12 (c) **The commissioner shall hold a public hearing on a proposed**  
13 **revision described in subsection (b) not later than sixty (60) days**  
14 **after an insurer provides notice. The commissioner shall post a**  
15 **notice of the public hearing on the department's Internet web site**  
16 **not later than thirty (30) days prior to the hearing.**

17 (d) **The insurer shall attend the hearing and present testimony**



- 1 regarding the following:
- 2 (1) The amount of the proposed reduction of the
- 3 reimbursement rate.
- 4 (2) The rationale for the proposed reduction of the
- 5 reimbursement rate.
- 6 (3) The network adequacy.
- 7 (4) The proposed procedure and timeline for notifying
- 8 contracted providers of the reduction.
- 9 **Members of the public may also present testimony at the hearing.**
- 10 SECTION 2. IC 27-13-15-1.5 IS ADDED TO THE INDIANA
- 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2020]: **Sec. 1.5. (a) As used in this section,**
- 13 **"participating provider" has the meaning set forth in**
- 14 **IC 27-13-1-24.**
- 15 (b) A health maintenance organization that intends to revise its
- 16 terms and conditions of reimbursement for health care services
- 17 under an agreement with a participating provider to reduce the
- 18 amount paid to the participating provider for a health care service
- 19 must provide written notice to the commissioner not later than two
- 20 hundred seventy (270) days prior to the proposed revision.
- 21 (c) The commissioner shall hold a public hearing on a proposed
- 22 revision described in subsection (b) not later than sixty (60) days
- 23 after a health maintenance organization provides notice. The
- 24 commissioner shall post a notice of the public hearing on the
- 25 department's Internet web site not later than thirty (30) days prior
- 26 to the hearing.
- 27 (d) The health maintenance organization shall attend the
- 28 hearing and present testimony regarding the following:
- 29 (1) The amount of the proposed reduction of the
- 30 reimbursement rate.
- 31 (2) The rationale for the proposed reduction of the
- 32 reimbursement rate.
- 33 (3) The network adequacy.
- 34 (4) The proposed procedure and timeline for notifying
- 35 participating providers of the reduction.
- 36 **Members of the public may also present testimony at the hearing.**

