

HOUSE BILL 1162

By Favors

AN ACT to amend Tennessee Code Annotated, Title 56,  
relative to health insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 10, is amended by adding the following as a new section to be appropriately designated:

56-7-1016.

(a) A health insurance entity, as defined in § 56-7-109, may not unreasonably deny coverage for a medical procedure or test that the entity decides is not medically necessary. If an insured individual seeks medical care at the individual's own expense after a denial of such coverage, and the procedure or test is proven to be medically necessary based upon the results of the procedure or test or upon the medical condition found, then it shall be presumed that such denial is unreasonable.

(b) If an health insurance entity is found to have unreasonably denied coverage pursuant to subsection (a) the health insurance entity shall reimburse the insured for all expenses incurred and associated with the procedure or test at one hundred percent (100%) of the incurred expenses. In addition, any out-of-pocket expenses, including but not limited to deductibles, co-pays, and coinsurance of the insured's healthcare benefit plan that would have been the responsibility of the insured shall be reimbursed by the health insurance entity to the insured individual. The health insurance entity shall also be responsible for any damages sustained by the insured due to the delay in obtaining the procedure or test resulting from the entity's unreasonable denial of such coverage.

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it.