



March 23, 2001

ENGROSSED HOUSE BILL No. 1461

DIGEST OF HB 1461 (Updated March 21, 2001 2:56 PM - DI 98)

Citations Affected: IC 27-1; noncode.

Synopsis: Health care provider contracting. Prohibits specified entities from requiring a health care provider to provide health care services to enrollees of a health maintenance organization as a condition of entering into a contract to provide health care services to individuals other than enrollees of a health maintenance organization.

Effective: July 1, 2001.

Pelath, Budak, Becker

(SENATE SPONSORS — LAWSON C, ALEXA)

January 11, 2001, read first time and referred to Committee on Public Health.

February 27, 2001, amended, reported — Do Pass.

March 5, 2001, read second time, amended, ordered engrossed.

March 6, 2001, engrossed. Read third time, passed. Yeas 92, nays 0.

SENATE ACTION

March 13, 2001, read first time and referred to Committee on Health and Provider Services.

March 22, 2001, amended, reported favorably — Do Pass.

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March 23, 2001

First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

ENGROSSED HOUSE BILL No. 1461

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 27-1-37 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]:

4 **Chapter 37. Health Provider Contracts**
5 **Sec. 1. As used in this chapter, "health maintenance**
6 **organization" means a person that undertakes to provide or**
7 **arrange for the delivery of health care services to individuals on a**
8 **prepaid basis, except for the individual's responsibility for**
9 **copayments or deductibles. The term does not include a staff-model**
10 **health maintenance organization that employs a group of providers**
11 **and that requires the providers to provide health care services**
12 **solely to individuals who are entitled to coverage under a contract**
13 **with the staff-model health maintenance organization or an**
14 **affiliate of the staff-model health maintenance organization.**

15 **Sec. 2. As used in this chapter, "health provider contract"**
16 **means an agreement with a provider relating to terms and**
17 **conditions of reimbursement for health care services provided to**

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an individual under:

- (1) an employee welfare benefit plan (as defined in 29 U.S.C. 1002 et seq.);**
- (2) a policy of accident and sickness insurance (as defined in IC 27-8-5-1);**
- (3) a contract with a health maintenance organization;**
- (4) a self-insurance program established under IC 5-10-8-7(b); or**
- (5) a prepaid health care delivery plan entered into under IC 5-10-8-7(c).**

Sec. 3. (a) As used in this chapter, "person" means an individual, an agency, a political subdivision, a partnership, a corporation, an association, or any other entity.

(b) The term does not include a health care provider described in IC 16-18-2-163(a)(1), IC 16-18-2-163(a)(2), IC 16-18-2-163(a)(3), or IC 16-18-2-163(a)(4).

Sec. 4. As used in this chapter, "provider" means an individual or entity licensed or legally authorized to provide health care services.

Sec. 5. A person may not require a provider, as a condition of entering into a health provider contract for the provision of health care services other than health care services to enrollees of a health maintenance organization, to provide health care services to enrollees of a health maintenance organization.

SECTION 2. [EFFECTIVE JULY 1, 2001] (a) IC 27-1-37, as added by this act, applies to a health provider contract that is entered into or renewed after June 30, 2001.

(b) This SECTION expires June 30, 2005.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1461, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "(a) As used in this section, "all services contract"" and insert **"An insurer may not require a provider, as a condition of entering into an agreement with the insurer under section 3 of this chapter to provide health care services to individuals who are covered under a policy of accident and sickness insurance (as defined in IC 27-8-5-1), to provide health care services to enrollees (as defined in 27-13-1-12) of a health maintenance organization."**

Page 1, delete lines 4 through 17.

Page 2, delete lines 1 through 8.

Page 2, line 9, delete "3." and insert "2."

Page 2, line 9, delete "and" and insert ",".

Page 2, line 10, delete "IC 27-13-36-12, both".

Page 2, line 10, delete "apply" and insert "applies".

Page 2, line 10, delete "contracts" and insert **"agreements"**.

and when so amended that said bill do pass.

(Reference is to HB 1461 as introduced.)

BROWN C, Chair

Committee Vote: yeas 9, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1461 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-8-5.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 5.7. Payment of Claims

Sec. 1. As used in this chapter, "insured" means an individual who is entitled to the benefits provided by a policy of accident and sickness insurance. The term includes the following:

- (1) The policyholder of an individual policy of accident and sickness insurance.
- (2) A member of the group covered by a group policy of accident and sickness insurance.
- (3) An individual who is entitled to coverage under a policy of accident and sickness insurance as a spouse or dependent of an individual referred to in subdivision (1) or (2).

Sec 2. As used in this chapter, "insurer" means an entity issuing a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. (a) An insured who has received services from a provider that provides services, including emergency services, that an insurer is required to pay, is considered to have filed a proper and complete claim if the insured submits the following information:

- (1) The name of the insured who received services.
- (2) The address of the insured.
- (3) The date of service.
- (4) The Current Procedural Terminology (CPT) code.
- (5) The International Classification of Diseases (ICD) disease classification.
- (6) The name and address of the provider.
- (7) Information on the insured's benefit card that is specific to the insured.
- (8) Tax identification information of the provider.

(b) A claim for an evaluation and management code (as defined by the latest edition of the Current Procedural Terminology manual) that meets the requirements under subsection (a) must be paid to the insured not more than fourteen (14) days after the claim is submitted.

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(c) If a claim is not for an evaluation and management code (as defined by the latest edition of the Current Procedural Terminology manual) the insurer may require the provider to submit information in addition to the information required under subsection (a). However, if a request for additional information under this subsection is not made within thirty (30) days after the insured has submitted a claim, the claim must be paid."

Page 1, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 3. IC 27-13-36-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9.5. (a) An enrollee who receives services from a provider that is not a participating provider and that provides services, including emergency services, that a health maintenance organization or a limited service health maintenance organization is required to pay a nonparticipating provider, is considered to have filed a proper and complete claim if the enrollee submits the following information:

- (1) The name of the enrollee who received services.**
- (2) The address of the enrollee.**
- (3) The date of service.**
- (4) The Current Procedural Terminology (CPT) code.**
- (5) The International Classification of Diseases (ICD) disease classification.**
- (6) The name and address of the provider.**
- (7) Information on the enrollee's benefit card that is specific to the enrollee.**
- (8) Tax identification information of the provider.**

(b) A claim for an evaluation and management code (as defined by the latest edition of the Current Procedural Terminology manual) that meets the requirements under subsection (a) must be paid to the enrollee not more than fourteen (14) days after the claim is submitted.

(c) If a claim is not for an evaluation and management code (as defined by the latest edition of the Current Procedural Terminology manual) the health maintenance organization or the limited service health maintenance organization may require the provider to submit information in addition to the information required under subsection (a). However, if a request for additional information under this subsection is not made within thirty (30) days after the enrollee has submitted a claim, the claim must be paid."



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Renumber all SECTIONS consecutively.

(Reference is to hb 1461 as printed February 28, 2001.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1461, 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, delete lines 1 through 17, begin a new paragraph and insert:
 "SECTION 1. IC 27-1-37 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 37. Health Provider Contracts

Sec. 1. As used in this chapter, "health maintenance organization" means a person that undertakes to provide or arrange for the delivery of health care services to individuals on a prepaid basis, except for the individual's responsibility for copayments or deductibles. The term does not include a staff-model health maintenance organization that employs a group of providers and that requires the providers to provide health care services solely to individuals who are entitled to coverage under a contract with the staff-model health maintenance organization or an affiliate of the staff-model health maintenance organization.

Sec. 2. As used in this chapter, "health provider contract" means an agreement with a provider relating to terms and conditions of reimbursement for health care services provided to an individual under:

- (1) an employee welfare benefit plan (as defined in 29 U.S.C. 1002 et seq.);
- (2) a policy of accident and sickness insurance (as defined in IC 27-8-5-1);
- (3) a contract with a health maintenance organization;
- (4) a self-insurance program established under IC 5-10-8-7(b); or
- (5) a prepaid health care delivery plan entered into under IC 5-10-8-7(c).

Sec. 3. (a) As used in this chapter, "person" means an individual, an agency, a political subdivision, a partnership, a corporation, an association, or any other entity.

(b) The term does not include a health care provider described in IC 16-18-2-163(a)(1), IC 16-18-2-163(a)(2), IC 16-18-2-163(a)(3), or IC 16-18-2-163(a)(4).

Sec. 4. As used in this chapter, "provider" means an individual or entity licensed or legally authorized to provide health care

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services.

Sec. 5. A person may not require a provider, as a condition of entering into a health provider contract for the provision of health care services other than health care services to enrollees of a health maintenance organization, to provide health care services to enrollees of a health maintenance organization.

SECTION 2. [EFFECTIVE JULY 1, 2001] (a) IC 27-1-37, as added by this act, applies to a health provider contract that is entered into or renewed after June 30, 2001.

(b) This SECTION expires June 30, 2005."

Delete pages 2 through 3.

and when so amended that said bill do pass.

(Reference is to HB 1461 as reprinted March 6, 2001.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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