
HOUSE BILL No. 1493

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-2.1-1-14; IC 27-1-3-30.

Synopsis: Reports for mandated benefit legislation. Specifies that a legislative floor amendment, bill, or resolution that contains a mandated health insurance coverage benefit proposal may not receive final consideration unless the floor amendment, bill, or resolution is accompanied by a report containing certain information.

Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Insurance.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1493



A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-2.1-1-14 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]: **Sec. 14. (a) As used in this section, "mandated benefit"**
4 **means certain health coverage or an offering of certain health**
5 **coverage that is required under:**
6 (1) **an accident and sickness insurance policy; or**
7 (2) **a contract with a health maintenance organization.**
8 (b) **As used in this section, "mandated benefit proposal" means**
9 **an amendment, a bill, or a resolution pending before the general**
10 **assembly that, if enacted, would require certain health coverage or**
11 **an offering of certain health coverage under:**
12 (1) **an accident and sickness insurance policy; or**
13 (2) **a contract with a health maintenance organization.**
14 (c) **As used in this section, "task force" refers to the task force**
15 **established under IC 27-1-3-30.**
16 (d) **A mandated benefit proposal may not receive final**
17 **consideration by a standing committee to which the mandated**



1 benefit proposal is assigned unless the mandated benefit proposal
2 is accompanied by a report described in subsection (f) from the
3 task force.

4 (e) An amendment that is:
5 (1) a mandated benefit proposal; and
6 (2) proposed from the floor of either house;
7 may not receive final consideration by that house unless the
8 amendment is accompanied by a report described in subsection (f)
9 from the task force.

10 (f) A report required under subsection (d) or (e) must include an
11 assessment of the financial impact of the mandated benefit
12 proposal, including the:

- 13 (1) extent to which the coverage will increase or decrease the
- 14 cost of the service to which the coverage applies;
- 15 (2) extent to which the coverage will increase the appropriate
- 16 use of the service to which the coverage applies;
- 17 (3) extent to which the service to which the coverage applies
- 18 will be a substitute for a more expensive service;
- 19 (4) extent to which the coverage will increase or decrease:
 - 20 (A) administrative expenses of insurers and health
 - 21 maintenance organizations; and
 - 22 (B) premium and administrative expenses of policyholders
 - 23 and contract holders;
- 24 (5) impact of the coverage on the total cost of health care in
- 25 Indiana, including potential cost savings that may be realized
- 26 through the passage of the mandated benefit proposal;
- 27 (6) impact of all mandated benefits on the ability of employers
- 28 to purchase coverage under an accident and sickness
- 29 insurance policy or a health maintenance organization
- 30 contract to meet the needs of employees;
- 31 (7) extent to which the financial impact of all mandated
- 32 benefits, including the mandated benefit proposal being
- 33 assessed, will affect employee wages and other compensation;
- 34 and
- 35 (8) extent to which the financial impact of all mandated
- 36 benefits, including the mandated benefit proposal being
- 37 assessed, will affect the hiring practices of Indiana employers.

38 SECTION 2. IC 27-1-3-30 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) As used in this
40 section, "accident and sickness insurance policy" has the meaning set
41 forth in IC 27-8-14.2-1.

42 (b) As used in this section, "health maintenance organization" has

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1 the meaning set forth in IC 27-13-1-19.

2 (c) As used in this section, "mandated benefit" means certain health
3 coverage or an offering of certain health coverage that is required
4 under:

5 (1) an accident and sickness insurance policy; or
6 (2) a contract with a health maintenance organization.

7 (d) As used in this section, "mandated benefit proposal" means a bill
8 or resolution pending before the general assembly that, if enacted,
9 would require certain health coverage or an offering of certain health
10 coverage under:

11 (1) an accident and sickness insurance policy; or
12 (2) a contract with a health maintenance organization.

13 (e) The commissioner shall establish a task force to review
14 mandated benefits and mandated benefit proposals.

15 (f) The task force must consist of nine (9) members appointed by the
16 governor as follows:

17 (1) Two (2) members representing the insurance industry.
18 (2) Two (2) members representing consumers.
19 (3) Two (2) members representing health care providers.
20 (4) Two (2) members representing the business sector.
21 (5) The commissioner or the commissioner's designee.

22 A registered lobbyist may not serve as a member of the task force.

23 (g) Members of the task force shall serve on a voluntary basis
24 without reimbursement.

25 (h) The department shall provide administrative **and actuarial**
26 support for the functions of the task force.

27 (i) The task force shall review mandated benefits and mandated
28 benefit proposals as:

29 (1) determined by the members of the task force; and
30 (2) **required under IC 2-2.1-1-14.**

31 **(j) The task force shall:**

32 (1) report **concerning a review conducted under subsection**
33 **(i)(1)** in an electronic format under IC 5-14-6 to the legislative
34 council not later than December 31 of each year; **and**
35 (2) **provide a report concerning a review conducted under**
36 **subsection (i)(2) as required under IC 2-2.1-1-14.**

37 ~~(j)~~ **(k)** Any recommendations made by the task force must be
38 approved by at least five (5) members of the task force.

39 ~~(k)~~ **(l)** The department may adopt rules under IC 4-22-2 to
40 implement this section.

41 ~~(l)~~ **(m)** Information that identifies a person and that is obtained by
42 the task force under this section is confidential.

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