
HOUSE BILL No. 1160

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-11-9; IC 27-13-15-4.

Synopsis: Health provider reimbursement agreements. Prohibits certain provisions in health provider reimbursement agreements.

Effective: Upon passage.

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January 11, 2007, read first time and referred to Committee on Insurance.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1160



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 27-8-11-9 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 UPON PASSAGE]: **Sec. 9. (a) As used in this section, "insurer"**
- 4 **includes the following:**
- 5 (1) **An administrator licensed under IC 27-1-25.**
- 6 (2) **A person that pays or administers claims on behalf of an**
- 7 **insurer.**
- 8 (b) **An agreement between an insurer and a provider under this**
- 9 **chapter may not contain a provision that:**
- 10 (1) **prohibits, or grants the insurer an option to prohibit, the**
- 11 **provider from contracting with another insurer to accept**
- 12 **lower payment for health care services than the payment**
- 13 **specified in the agreement;**
- 14 (2) **requires, or grants the insurer an option to require, the**
- 15 **provider to accept a lower payment from the insurer if the**
- 16 **provider agrees with another insurer to accept lower payment**
- 17 **for health care services;**



- 1 (3) requires, or grants the insurer an option of, termination or
- 2 renegotiation of the agreement if the provider agrees with
- 3 another insurer to accept lower payment for health care
- 4 services; or
- 5 (4) requires the provider to disclose the provider's
- 6 reimbursement rates under contracts with other insurers.

- 7 (c) A provision that:
- 8 (1) is contained in an agreement between an insurer and a
- 9 provider under this chapter; and
- 10 (2) violates this section;

11 is null and void.

12 SECTION 2. IC 27-13-15-4 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 4. (a) As used in this section, "health
15 maintenance organization" includes the following:

- 16 (1) A limited service health maintenance organization.
- 17 (2) A person that pays or administers claims on behalf of a
- 18 health maintenance organization or a limited service health
- 19 maintenance organization.

20 (b) An agreement between a health maintenance organization
21 and a participating provider under this chapter may not contain a
22 provision that:

- 23 (1) prohibits, or grants the health maintenance organization
- 24 an option to prohibit, the participating provider from
- 25 contracting with another health maintenance organization to
- 26 accept lower payment for health care services than the
- 27 payment specified in the agreement;
- 28 (2) requires, or grants the health maintenance organization an
- 29 option to require, the participating provider to accept a lower
- 30 payment from the health maintenance organization if the
- 31 participating provider agrees with another health
- 32 maintenance organization to accept lower payment for health
- 33 care services;
- 34 (3) requires, or grants the health maintenance organization an
- 35 option of, termination or renegotiation of the agreement if the
- 36 participating provider agrees with another health
- 37 maintenance organization to accept lower payment for health
- 38 care services; or
- 39 (4) requires the participating provider to disclose the
- 40 participating provider's reimbursement rates under contracts
- 41 with other health maintenance organizations.

42 (c) A contract provision that violates this section is null and

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1 **void.**
2 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) IC 27-8-11-9, as
3 **added by this act, applies to an agreement between an insurer and**
4 **a provider that is entered into, amended, or renewed on or after**
5 **the effective date of this act.**
6 (b) IC 27-13-15-4, as added by this act, applies to a contract
7 **between a health maintenance organization and a participating**
8 **provider that is entered into, amended, or renewed on or after the**
9 **effective date of this act.**
10 SECTION 4. **An emergency is declared for this act.**

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