

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1300**

**Citations Affected:** IC 27-1-3-31; IC 27-8-11-11; IC 27-13-36-12.

**Synopsis:** Health plan requirements and study. Conference committee report for EHB 1300. Requires certain insurers and health maintenance organizations to submit certain data and information to the insurance commissioner. Requires the insurance commissioner to study the submissions and make certain actuarial determinations and report to the health finance commission. Requires certain insurer and health maintenance organization notice to covered individuals concerning claim payments. Requires the health finance commission to study certain issues during the 2009 interim and report to the legislative council. **(This conference committee report: (1) requires the insurance commissioner to specify data and information and prescribe a format for the data and information submission from insurers and health maintenance organizations; (2) specifies confidentiality requirements; (3) requires notice of possible criminal penalties related to claim payments; and (4) amends certain deadlines.)**

**Effective:** Upon passage; July 1, 2009.

## CONFERENCE COMMITTEE REPORT

**MR. SPEAKER:**

*Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1300 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: **Sec. 31. (a) Not later than September 1, 2009,**
- 5 **each insurer that issues a policy of accident and sickness insurance**
- 6 **(as defined in IC 27-8-5-1) and each health maintenance**
- 7 **organization shall submit to the commissioner specified data and**
- 8 **information in a format prescribed by the commissioner. If data or**
- 9 **information from a health care provider is determined to be**
- 10 **necessary to complete the study under subsection (b), the health**
- 11 **care provider shall submit the data or information to the**
- 12 **commissioner.**
- 13 (b) The commissioner shall study the data and information
- 14 submitted under subsection (a) and make actuarial determinations
- 15 of the savings and costs of implementation of direct reimbursement
- 16 by the insurers and health maintenance organizations to
- 17 out-of-network health care providers for health care services
- 18 rendered to insureds and enrollees.
- 19 (c) The commissioner shall specify the data and information to
- 20 be submitted under subsection (a) to reflect the following:
- 21 (1) The costs incurred or savings experienced by the insurer
- 22 or health maintenance organization in implementing direct

- 1 reimbursement to the health care providers.
- 2 (2) Operational costs incurred or savings experienced in  
3 implementing direct reimbursement to the health care  
4 providers.
- 5 (3) The number of additional health care providers, by  
6 specialty, that would be reimbursed by the insurer or health  
7 maintenance organization after the insurer or health  
8 maintenance organization implemented direct  
9 reimbursement.
- 10 (4) Any other costs or savings that an insurer, a health  
11 maintenance organization, the commissioner, or the  
12 chairperson of the health finance commission established by  
13 IC 2-5-23-3 determines to be relevant to direct  
14 reimbursement.
- 15 (d) The commissioner shall report the results of the study and  
16 actuarial determinations made under subsection (b) to the health  
17 finance commission in an electronic format under IC 5-14-6 before  
18 October 15, 2009.
- 19 (e) Data and information submitted, and results of the study and  
20 actuarial determinations made, under this section that identify an  
21 individual insurer, health maintenance organization, health care  
22 provider, or individual are confidential. However, upon request of  
23 the chairperson of the health finance commission, the  
24 commissioner shall:
- 25 (1) remove identifying information from; and  
26 (2) provide, to the legislative services agency and members of  
27 the health finance commission;
- 28 the data and information submitted under subsection (a).
- 29 (f) This section expires December 31, 2009.
- 30 SECTION 2. IC 27-8-11-11 IS ADDED TO THE INDIANA CODE  
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
32 1, 2009]: Sec. 11. (a) As used in this section, "noncontracted  
33 provider" means a provider that has not entered into an agreement  
34 with an insurer under section 3 of this chapter.
- 35 (b) After September 30, 2009, if an insurer makes a payment to  
36 an insured for a health care service rendered by a noncontracted  
37 provider, the insurer shall include with the payment instrument  
38 written notice to the insured that includes the following:
- 39 (1) A statement specifying the claims covered by the payment  
40 instrument.
- 41 (2) The name and address of the provider submitting each  
42 claim.
- 43 (3) The amount paid by the insurer for each claim.
- 44 (4) Any amount of a claim that is the insured's responsibility.
- 45 (5) A statement in at least 24 point bold type that:
- 46 (A) instructs the insured to use the payment to pay the  
47 noncontracted provider if the insured has not paid the  
48 noncontracted provider in full;
- 49 (B) specifies that paying the noncontracted provider is the  
50 insured's responsibility; and
- 51 (C) states that the failure to make the payment violates the

1           **law and may result in collection proceedings or criminal**  
 2           **penalties.**

3           SECTION 3. IC 27-13-36-12 IS ADDED TO THE INDIANA  
 4           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 5           [EFFECTIVE JULY 1, 2009]: **Sec. 12. (a) As used in this section,**  
 6           **"nonparticipating provider" means a provider that has not entered**  
 7           **into an agreement with a health maintenance organization to serve**  
 8           **as a participating provider.**

9           **(b) After September 30, 2009, if a health maintenance**  
 10           **organization makes a payment to an enrollee for a health care**  
 11           **service rendered by a nonparticipating provider, the health**  
 12           **maintenance organization shall include with the payment**  
 13           **instrument written notice to the enrollee that includes the**  
 14           **following:**

15           **(1) A statement specifying the claims covered by the payment**  
 16           **instrument.**

17           **(2) The name and address of the provider submitting each**  
 18           **claim.**

19           **(3) The amount paid by the health maintenance organization**  
 20           **for each claim.**

21           **(4) Any amount of a claim that is the enrollee's responsibility.**

22           **(5) A statement in at least 24 point bold type that:**

23           **(A) instructs the enrollee to use the payment to pay the**  
 24           **nonparticipating provider if the enrollee has not paid the**  
 25           **nonparticipating provider in full;**

26           **(B) specifies that paying the nonparticipating provider is**  
 27           **the enrollee's responsibility; and**

28           **(C) states that the failure to make the payment violates the**  
 29           **law and may result in collection proceedings or criminal**  
 30           **penalties.**

31           SECTION 4. [EFFECTIVE UPON PASSAGE] **(a) The health**  
 32           **finance commission established by IC 2-5-23-3 shall, during the**  
 33           **2009 interim, study:**

34           **(1) the effect on insurers, health care providers, insureds, and**  
 35           **other patients of a provision in an agreement with a health**  
 36           **care provider under IC 27-8-11-3 requiring the health care**  
 37           **provider to accept as patients more insureds than:**

38           **(A) the number of insureds specified in the agreement; or**

39           **(B) if there is not a number of insureds specified in the**  
 40           **agreement, the number that, in the health care provider's**  
 41           **professional judgment, is the greatest number of insureds**  
 42           **that the health care provider is able to accept without**  
 43           **endangering the health care provider's patients' access to**  
 44           **or continuity of care;**

45           **(2) the effect on health maintenance organizations,**  
 46           **participating providers, enrollees, and other patients of a**  
 47           **provision in a contract between a health maintenance**  
 48           **organization and a participating provider requiring the**  
 49           **participating provider to accept as patients more enrollees**  
 50           **than:**

51           **(A) the number of enrollees specified in the contract; or**

- 1           **(B) if there is not a number of enrollees specified in the**  
2           **contract, the number that, in the participating provider's**  
3           **professional judgment, is the greatest number of enrollees**  
4           **that the participating provider is able to accept without**  
5           **endangering the participating provider's patients' access**  
6           **to or continuity of care; and**
- 7           **(3) any other issue related to a provision described in**  
8           **subdivision (1) or (2), as determined by the health finance**  
9           **commission or the legislative council.**
- 10          **(b) The health finance commission shall, not later than**  
11          **November 1, 2009, report the health finance commission's findings**  
12          **and recommendations concerning the study conducted under**  
13          **subsection (a) to the legislative council in an electronic format**  
14          **under IC 5-14-6.**
- 15          **(c) The health finance commission shall, during the 2009**  
16          **interim, study whether an insurer or health maintenance**  
17          **organization described in IC 27-1-3-31, as added by this act, should**  
18          **be required to directly reimburse an out-of-network health care**  
19          **provider for health care services rendered to an insured or**  
20          **enrollee, considering the report of the insurance commissioner's**  
21          **study and actuarial determinations reported to the health finance**  
22          **commission under IC 27-1-3-31, as added by this act.**
- 23          **(d) This SECTION expires December 31, 2009.**
- 24          **SECTION 5. An emergency is declared for this act.**  
            (Reference is to EHB 1300 as reprinted March 31, 2009.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1300**

**S**igned by:

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Representative Welch  
Chairperson

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Senator Gard

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Representative Lehman

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Senator Errington

**House Conferees**

**Senate Conferees**