

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1300 be amended to read as follows:

- 1 Page 2, between lines 8 and 9, begin a new paragraph and insert:
2 "SECTION 2. IC 27-8-5.9 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2009]:
5 **Chapter 5.9. Assignment of Benefits**
6 **Sec. 1. The definitions in IC 27-8-11-1 apply throughout this**
7 **chapter.**
8 **Sec. 2. As used in this chapter, "contracted provider" means a**
9 **provider that has entered into an agreement with an insurer under**
10 **IC 27-8-11-3.**
11 **Sec. 3. As used in this chapter, "covered individual" means an**
12 **individual who is entitled to coverage under a policy.**
13 **Sec. 4. As used in this chapter, "emergency" means a medical**
14 **condition that arises suddenly and unexpectedly and manifests**
15 **itself by acute symptoms of such severity, including severe pain,**
16 **that the absence of immediate medical attention could reasonably**
17 **be expected by a prudent layperson who possesses an average**
18 **knowledge of health and medicine to:**
19 **(1) place an individual's health in serious jeopardy;**
20 **(2) result in serious impairment to the individual's bodily**
21 **functions; or**
22 **(3) result in serious dysfunction of a bodily organ or part of**
23 **the individual.**
24 **Sec. 5. As used in this chapter, "health care services" includes**
25 **ambulance services.**
26 **Sec. 6. As used in this chapter, "noncontracted provider" means**
27 **a provider that has not entered into an agreement with an insurer**
28 **under IC 27-8-11-3.**
29 **Sec. 7. (a) Except as provided in subsection (b), if a policy**
30 **provides coverage for a health care service that is rendered by a**
31 **noncontracted provider:**

1 (1) who renders the health care service on an emergency basis
 2 in a hospital or an ambulatory outpatient surgical center and
 3 submits a claim for the health care service on the appropriate
 4 insurer claim form;

5 (2) who renders the health care service as:

6 (A) an anesthesiologist;

7 (B) a pathologist; or

8 (C) a radiologist;

9 in a hospital or an ambulatory outpatient surgical center with
 10 which the insurer has entered into a contract under
 11 IC 27-8-11-3; or

12 (3) that is chosen by a provider described in subdivision (1) or

13 (2) without the specific consent of the covered individual;

14 the insurer shall make a benefit payment directly to the
 15 noncontracted provider for the health care service and send
 16 written notice of the payment to the covered individual or the
 17 authorized representative of the covered individual.

18 (b) An insurer is not required to make a benefit payment
 19 directly to a noncontracted provider described in subsection (a) if
 20 the noncontracted provider has been convicted of fraud.

21 (c) This section does not require:

22 (1) coverage for benefits not covered under the terms of a
 23 policy; or

24 (2) payment to a noncontracted provider that is not eligible
 25 for a benefit payment under the terms of a policy.

26 Sec. 8. If:

27 (1) a noncontracted provider is entitled to a direct benefit
 28 payment under section 7 of this chapter; and

29 (2) there is a good faith dispute regarding the:

30 (A) legitimacy of the claim relating to the health care
 31 service rendered;

32 (B) appropriate amount of reimbursement for the claim;

33 or

34 (C) authorization for the assignment of benefits;

35 the insurer, not more than fourteen (14) business days after the
 36 insurer receives the claim and all documentation reasonably
 37 necessary to determine claim payment, shall provide notice of the
 38 dispute to the noncontracted provider or the noncontracted
 39 provider's authorized representative.

40 Sec. 9. If an insurer makes a payment to a covered individual
 41 for a health care service rendered by a noncontracted provider, the
 42 insurer shall include with the payment instrument written notice
 43 to the covered individual that includes the following:

44 (1) A statement of the claims covered by the payment
 45 instrument.

46 (2) The name and address of the provider submitting each
 47 claim.

48 (3) The amount paid by the insurer for each claim.

- 1 **(4) Any amount of a claim that is the covered individual's**
 2 **responsibility.**
- 3 **(5) A statement in at least 24 point bold type that:**
- 4 **(A) instructs the covered individual that the payment must**
 5 **be used to pay the noncontracted provider if the covered**
 6 **individual has not paid the noncontracted provider in full;**
 7 **(B) specifies that paying the noncontracted provider is the**
 8 **covered individual's responsibility; and**
 9 **(C) states that the failure to make the payment violates the**
 10 **law and may result in collection proceedings.**

11 SECTION 3. IC 27-13-36.3 IS ADDED TO THE INDIANA CODE
 12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2009]:

14 **Chapter 36.3. Payment to Nonparticipating Providers**

15 **Sec. 1. As used in this chapter, "health care services", in**
 16 **addition to having the meaning set forth in IC 27-13-1-18, includes**
 17 **ambulance services.**

18 **Sec. 2. As used in this chapter, "health maintenance**
 19 **organization", in addition to having the meaning set forth in**
 20 **IC 27-13-1-19, includes a limited service health maintenance**
 21 **organization.**

22 **Sec. 3. As used in this chapter, "nonparticipating provider"**
 23 **means a provider that has not entered into an agreement described**
 24 **in IC 27-13-1-24.**

25 **Sec. 4. As used in this chapter, "provider", in addition to having**
 26 **the meaning set forth in IC 27-13-1-28, includes an ambulance**
 27 **service provider.**

28 **Sec. 5. (a) Except as provided in subsection (b), if an individual**
 29 **contract or a group contract provides coverage for a health care**
 30 **service that is rendered by a nonparticipating provider:**

31 **(1) who renders the health care service on an emergency basis**
 32 **in a hospital or an ambulatory outpatient surgical center and**
 33 **submits a claim for the health care service on the appropriate**
 34 **claim form;**

35 **(2) who renders the health care service as:**

36 **(A) an anesthesiologist;**

37 **(B) a pathologist; or**

38 **(C) a radiologist;**

39 **in a hospital or an ambulatory outpatient surgical center that**
 40 **is a participating provider; or**

41 **(3) that is chosen by a provider described in subdivision (1) or**

42 **(2) without the specific consent of the enrollee;**

43 **the health maintenance organization shall make a benefit payment**
 44 **directly to the nonparticipating provider for the health care service**
 45 **and send written notice of the payment to the enrollee or the**
 46 **authorized representative of the enrollee.**

47 **(b) A health maintenance organization is not required to make**
 48 **a benefit payment directly to a nonparticipating provider**

1 described in subsection (a) if the nonparticipating provider has
2 been convicted of fraud.

3 (c) This section does not require:

- 4 (1) coverage for benefits not covered under the terms of an
5 individual contract or a group contract; or
6 (2) payment to a nonparticipating provider that is not eligible
7 for a benefit payment under the terms of an individual
8 contract or a group contract.

9 Sec. 6. If:

- 10 (1) a nonparticipating provider is entitled to a direct benefit
11 payment under section 5 of this chapter; and
12 (2) there is a good faith dispute regarding the:
13 (A) legitimacy of the claim relating to the services
14 rendered;
15 (B) appropriate amount of reimbursement for the claim;
16 or
17 (C) payment of the claim under the terms of the individual
18 contract or group contract;

19 the health maintenance organization, not more than fourteen (14)
20 business days after the health maintenance organization receives
21 the claim and all documentation reasonably necessary to determine
22 claim payment, shall provide notice of the dispute to the
23 nonparticipating provider or the nonparticipating provider's
24 authorized representative.

25 Sec. 7. If a health maintenance organization makes a payment
26 to an enrollee for a health care service rendered by a
27 nonparticipating provider, the health maintenance organization
28 shall include with the payment instrument written notice to the
29 enrollee that includes the following:

- 30 (1) A statement of the claims covered by the payment
31 instrument.
32 (2) The name and address of the provider submitting each
33 claim.
34 (3) The amount paid by the health maintenance organization
35 for each claim.
36 (4) Any amount of a claim that is the enrollee's responsibility.
37 (5) A statement in at least 24 point bold type that:
38 (A) instructs the enrollee that the payment must be used to
39 pay the nonparticipating provider if the enrollee has not
40 paid the nonparticipating provider in full;

- 1 **(B) specifies that paying the nonparticipating provider is**
- 2 **the enrollee's responsibility; and**
- 3 **(C) states that the failure to make the payment violates the**
- 4 **law and may result in collection proceedings."**

5 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1300 as printed March 27, 2009.)

Senator MILLER