

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6730
BILL NUMBER: SB 171

NOTE PREPARED: Dec 23, 2009
BILL AMENDED:

SUBJECT: Health Plan Use of Premiums.

FIRST AUTHOR: Sen. Becker
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires accident and sickness insurers and health maintenance organizations (HMOs) to annually report to the Department of Insurance (DOI) concerning use of premiums. The bill provides for penalties for noncompliance.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The bill provides that a health plan must, before March 1 of each year, file with the DOI a report containing certain health plan information for the immediately preceding calendar year. The DOI must publish and maintain each report filed on the DOI's Internet web site. The DOI must also make a hard copy of each report available to the public. The DOI Commissioner must adopt rules to implement the above. The Commissioner may audit a health plan at any time to determine compliance.

The bill's requirements are within the DOI's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: If the Commissioner, after notice and hearing, determines that a health plan is in violation, the Commissioner may impose a civil penalty of at least \$1,000 but not more \$10,000 for each day of noncompliance. Civil penalties collected must be deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.