

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: HB318

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Cox

3. Committee: Commerce and Labor

4. Title: Hospitalization insurance; balance billing by nonparticipating physicians.

5. Summary/Purpose: Provides that if an insurance carrier offers a provider panel for a policy, contract, or plan that includes hospitalization coverage, the carrier must provide that an enrollee admitted to a hospital for a covered service or procedure, must receive medical and surgical services from physicians in the provider panel unless the enrollee has consented in writing, prior to receiving the services, to use a nonparticipating physician. The written consent must include a prominent statement that consent to use the nonparticipating physician acknowledges that the enrollee is aware he may be liable for charges that exceed the amount paid by the carrier. If the enrollee fails to, or refuses to provide a written consent, the nonparticipating physician cannot bill the enrollee for any payment exceeding the carrier's payment. The provisions of the bill apply to policies, contracts, or plans delivered, issued for delivery, reissued, or extended on or after January 1, 2009.

6. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: If the enrollee refuses to consent to the use of the nonparticipating physician, then technically, he should not be billed anything because the physician is not permitted to treat him. The Bureau of Insurance suggested to the patron that he may wish to consider amending the language as follows:

On Line 137, after "refuses to", strike "consent to the use of a" and insert "acknowledge his liability for charges of the nonparticipating physician that exceed the amount paid by the carrier for his services"

11. Other comments: The Bureau of Insurance also advised the patron that House Bill 318 creates a disclosure requirement in insurance policies, over which the Bureau has regulatory authority. The Bureau will be able to ensure that carriers include such language in their policies.

However, the disclosure further addresses specific expectations of conduct on the part of hospitals and providers, over which the Bureau has no authority. As a result, the Bureau cannot enforce or investigate complaints or allegations of noncompliance on the part of hospitals or physicians that do not follow the procedures prescribed by the legislation.

Date: 01/13 /08 / V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources