

State Corporation Commission

2020 Fiscal Impact Statement

1. Bill Number: SB765

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Barker

3. Committee: Commerce and Labor

4. Title: Health insurance; provider contracts; business practices; penalties.

5. Summary: Prohibits a carrier from unilaterally amending a provider contract or any material provision, addenda, schedule, exhibit, or policy thereto, as it relates to any material provision that was agreed to or accepted by the provider in the previous 12-month period. The measure requires such an amendment to be agreed to by the provider in a signed written amendment to the provider contract. The measure defines a material provision of a provider contract as any policy manual, coverage guideline, edit, multiple procedure logic, or audit procedure that (i) decreases the provider's payment or compensation, (ii) limits an enrollee's access to covered services under his health plan, or (iii) changes the administrative procedures applicable to a provider contract in a way that may reasonably be expected to significantly increase the provider's administrative expense. The measure requires carriers to permit a provider to determine the carrier's policies regarding the use of edits or multiple procedure logic. The measure requires carriers to provide, for each health plan in which the provider participates or is proposed to participate, a complete fee schedule for all health care services included under the provider contract with the provider in writing and to make them available in machine-readable electronic format. The measure requires carriers to permit a provider a minimum of one year from the date a health care service is rendered to submit a claim for payment. The measure also (a) requires the State Corporation Commission to assist providers and to examine and investigate provider complaints and inquiries relating to an alleged or suspected failure by a carrier to comply with required minimum fair business standards, (b) requires the Commission to provide a determination of whether a carrier has failed to comply with these standards within 60 days of receipt of a provider's complaint or inquiry, (c) authorizes the Commission to determine whether a person's practices comply with these standards, (d) subjects a person that refuses or fails to provide information in a timely manner to the Commission to enforcement and penalty provisions, and (e) authorizes the Commission to impose penalties or issue a cease and desist order to a carrier that fails to comply with these standards.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

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: No

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11. Other Comments: House Bill 1384 is similar to Senate Bill 765.

Date: 1/24/20/V.Tompkins