

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB964

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Blevins

3. Committee: Commerce and Labor

4. Title: **Health insurance; cost-sharing calculations.**

5. Summary: Requires a health insurer, health services plan, or health maintenance organization, when calculating the coinsurance obligation or other percentage of the cost of covered services provided to its insured, subscriber, or enrollee, to calculate the amount based on an amount not to exceed the provider's actual charge for the service when (i) the health insurer, health services plan, or health maintenance organization has agreed to pay the provider a fixed rate or charge for the covered service without regard to the provider's actual charge for the service and (ii) the provider's actual charge for the service is less than the fixed rate or charge for the covered service that the insurer, health services plan, or health maintenance organization has agreed to pay to the provider. In addition, persons covered under a managed care health insurance plan shall not be liable to the provider for any amount, other than any required copayment, in excess of the specified percentage of the cost of the covered service that is calculated based upon an amount not to exceed the provider's actual charge for the service provided to the covered person. Currently, a health insurer, health services plan, or health maintenance organization is required to calculate such amount based upon an amount that does not exceed the amount paid or payable to the provider.

6. Fiscal Impact Estimates: No Impact

7. Budget Amendment Necessary: No

8. Fiscal Implications: The Department of Human Resource Management indicates that practices currently in use by the state employee health insurance program are consistent with the provisions of this bill and as a result, there should be no fiscal impact on the program.

9. Specific Agency or Political Subdivisions Affected: State employee health plan, all political subdivisions that provide health insurance coverage.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/16/2009 JDH

Document: G:\EFIS\2009\SB964-HealthInsuranceCostCalculations\SB964.doc

cc: Secretary of Administration