

State Corporation Commission

2018 Fiscal Impact Statement

1. Bill Number: HB1001

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

2. Patron: Byron

3. Committee: House Floor

4. Title: Health care shared savings; incentive programs.

5. Summary: Requires health carriers to establish a comparable health care service incentive program under which savings are shared with a covered person who elects to receive a covered health care service from a lower-cost provider. Incentive payments shall be at least 50 percent of the saved cost compared to the average cost. Incentive payments are not required for savings of \$25 or less. Programs are required to be approved by the Commissioner of Insurance. The measure also requires health carriers to make available an interactive mechanism on their website that enables a covered person to compare costs between providers in-network, calculate estimated out-of-pocket costs, and obtain quality data for those providers, to the extent available. The measure authorizes covered persons to obtain health care services from out-of-network providers if their costs are below the average of in-network providers. Licensees of the Board of Medicine shall provide a description of the elective procedure or test sufficient to allow a patient to compare care options if the patient is being referred for an elective procedure or test.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: The costs to carry out the provisions of Senate Bill 639 are not available. See Item 8 below.

8. Fiscal Implications: The State Corporation Commission recognizes that additional resources will be necessary to perform the functions of the new Comparable Health Care Service Incentive Program. A preliminary review indicates that the Commission could absorb the cost of these additional resources.

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

10. Technical amendment necessary: None

11. Other comments: Senate Bill 639 is identical to House Bill 1001. House Bill 1001 failed on the House floor. Senate Bill 639 was carried over to the 2019 Session.

Date: 02/12/18/V. Tompkins