

State Corporation Commission

2018 Fiscal Impact Statement

1. Bill Number: HB1433

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

2. Patron: Leftwich

3. Committee: Committee on Commerce and Labor

4. Title: Health care provider panels; vertically integrated carriers; public hospitals.

5. Summary: Requires any vertically integrated carrier, which is a health insurer or other carrier that owns an interest in an acute care hospital facility, to offer to every public hospital the ability to participate in the provider panels or networks established for each of the carrier's policies, products, and plans. The measure also requires any contract by which a public hospital participates in a vertically integrated carrier's provider panel or network to obligate the carrier to reimburse the public hospital for a covered health care service at a rate that is not less than the fair and nondiscriminatory rate. The measure establishes the methodology for determining a fair and nondiscriminatory rate, which is based on the same percentage more than the Medicare rate that the carrier pays to the acute care hospital facilities in which it owns an interest. The measure provides a procedure by which a public hospital may dispute a vertically integrated carrier's calculation of a fair and nondiscriminatory rate and authorizes a public hospital to bring a civil action against such a carrier to recover any underpayment or for injunctive or declaratory relief.

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

11. Other comments: House Bill 1433 establishes timeframes for providing reimbursement information upon request by a public hospital and makes appeals of the fairness of the amounts of reimbursement subject to independent analysis. The State Corporation Commission has no jurisdiction to adjudicate controversies arising out of this section.

Senate Bill 860 was identical to House Bill 1433. On February 5, 2018, an amendment in the nature of a substitute to Senate Bill 860 was reported by Senate Commerce & Labor. House Bill 1433 is assigned to Subcommittee # 2 of House Commerce & Labor.

Date: 02/06/18/V. Tompkins