

# State Corporation Commission

## 2018 Fiscal Impact Statement

**1. Bill Number:** SB639

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

**2. Patron:**      Dunnavant

**3. Committee:** Finance

**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:** House Bill 1001 is identical to Senate Bill 639. House Bill 1001 failed on the House floor. Senate Bill 639 was carried over to the 2019 Session on February 8, 2018.

**Date:** 02/11/18/V. Tompkins