



January 24, 2020

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## HOUSE BILL No. 1004

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DIGEST OF HB 1004 (Updated January 22, 2020 10:53 am - DI 55)

**Citations Affected:** IC 16-21; IC 25-1.

**Synopsis:** Balance billing for medical care. Provides that a facility that is an in network provider or a practitioner who provides health care services in the in network facility may not charge more for the health care services provided to a covered individual than allowed according to the rate or amount of compensation established by the network plan unless: (1) at least five days before the health care services are scheduled to be provided, the covered individual is provided a statement that: (A) informs the covered individual that the facility or practitioner intends to charge more than allowed under the network plan; and (B) sets forth an estimate of the charge; and (2) the covered individual signs the statement, signifying the covered individual's consent to the charge. Provides that an in network practitioner who provides health care services to a covered individual (regardless of where the health care services are provided) may not charge more for the health care services than allowed according to the rate or amount of compensation established by the network plan unless: (1) at least five days before the health care services are scheduled to be provided, the covered individual is provided a statement that: (A) informs the covered individual that the practitioner intends to charge more than allowed under the network plan; and (B) sets forth an estimate of the charge; and (2) the covered individual signs the statement, signifying the covered individual's consent to the charge.

**Effective:** July 1, 2020.

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### Smaltz

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January 6, 2020, read first time and referred to Committee on Insurance.  
January 23, 2020, amended, reported — Do Pass.

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HB 1004—LS 7088/DI 104





January 24, 2020

Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

## HOUSE BILL No. 1004

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A BILL FOR AN ACT to amend the Indiana Code concerning health.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 16-21-2-17 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2020]: **Sec. 17. (a) As used in this section, "covered individual"**  
4 **means an individual who is entitled to be provided health care**  
5 **services at a cost established according to a network plan.**  
6 **(b) As used in this section, "facility" means an institution in**  
7 **which health care services are provided to individuals. The term**  
8 **includes:**  
9 **(1) hospitals and other licensed ambulatory surgical centers;**  
10 **and**  
11 **(2) ambulatory outpatient surgical centers.**  
12 **(c) As used in this section, "in network provider" means a**  
13 **provider that is required under a network plan to provide health**  
14 **care services to covered individuals at not more than a**  
15 **preestablished rate or amount of compensation.**  
16 **(d) As used in this section, "network plan" means a plan under**  
17 **which providers are required by contract to provide health care**

HB 1004—LS 7088/DI 104



1 services to covered individuals at not more than a preestablished  
2 rate or amount of compensation.

3 (e) As used in this section, "practitioner" means the following:

4 (1) An individual licensed under IC 25 who provides  
5 professional health care services to individuals in a facility.

6 (2) An organization:

7 (A) that consists of practitioners described in subdivision

8 (1); and

9 (B) through which practitioners described in subdivision  
10 (1) provide health care services.

11 (3) An entity that:

12 (A) is not a facility; and

13 (B) employs practitioners described in subdivision (1) to  
14 provide health care services.

15 (f) As used in this section, "provider" means:

16 (1) a facility; or

17 (2) a practitioner.

18 (g) Except as provided in subsection (h), when a covered  
19 individual receives health care services in a facility that is an  
20 network provider, neither:

21 (1) the facility; nor

22 (2) a practitioner who provides health care services in the  
23 facility;

24 may charge more for the health care services provided to the  
25 covered individual than allowed according to the rate or amount  
26 of compensation established by the network plan.

27 (h) A facility that is an in network provider or a practitioner  
28 who provides health care services in the facility may charge more  
29 for the health care services provided to the covered individual than  
30 allowed according to the rate or amount of compensation  
31 established by the network plan if all of the following conditions  
32 are met:

33 (1) At least five (5) days before the health care services are  
34 scheduled to be provided to the covered individual, the facility  
35 or practitioner provides to the covered individual, on a form  
36 separate from any other form provided to the covered  
37 individual by the facility or practitioner, a statement in  
38 conspicuous type at least as large as fourteen (14) point type  
39 that meets the following requirements:

40 (A) Includes a notice reading substantially as follows:

41 "[Name of facility or practitioner] intends to charge you  
42 more for [name or description of health care services] than



- 1           **allowed according to the rate or amount of compensation**  
 2           **established by the network plan applying to your coverage.**  
 3           **[Name of facility or practitioner] is not entitled to charge**  
 4           **this much for [name or description of health care services]**  
 5           **unless you give your written consent to the charge."**  
 6           **(B) Sets forth the facility's or practitioner's good faith**  
 7           **estimate of the amount that the facility or practitioner**  
 8           **intends to charge for the health care services provided to**  
 9           **the covered individual.**  
 10           **(C) Includes a notice reading substantially as follows**  
 11           **concerning the good faith estimate set forth under clause**  
 12           **(B): "The estimate of our intended charge for [name or**  
 13           **description of health care services] set forth in this**  
 14           **statement is provided in good faith and is our best estimate**  
 15           **of the amount we will charge."**  
 16           **(2) The covered individual signs the statement provided under**  
 17           **subdivision (1), signifying the covered individual's consent to**  
 18           **the charge for the health care services being greater than**  
 19           **allowed according to the rate or amount of compensation**  
 20           **established by the network plan.**  
 21           **(i) If the charge of a facility or practitioner for health care**  
 22           **services provided to a covered individual exceeds the estimate**  
 23           **provided to the covered individual under subsection (h)(1)(B), the**  
 24           **facility or practitioner shall explain in a writing provided to the**  
 25           **covered individual why the charge exceeds the estimate.**  
 26           **SECTION 2. IC 25-1-9-23 IS ADDED TO THE INDIANA CODE**  
 27           **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 28           **1, 2020]: Sec. 23. (a) As used in this section, "covered individual"**  
 29           **means an individual who is entitled to be provided health care**  
 30           **services at a cost established according to a network plan.**  
 31           **(b) As used in this section, "in network practitioner" means a**  
 32           **practitioner who is required under a network plan to provide**  
 33           **health care services to covered individuals at not more than a**  
 34           **preestablished rate or amount of compensation.**  
 35           **(c) As used in this section, "network plan" means a plan under**  
 36           **which facilities and practitioners are required by contract to**  
 37           **provide health care services to covered individuals at not more**  
 38           **than a preestablished rate or amount of compensation.**  
 39           **(d) As used in this section, "practitioner" means the following:**  
 40           **(1) An individual licensed under IC 25 who provides**  
 41           **professional health care services to individuals in a facility.**  
 42           **(2) An organization:**



- 1 (A) that consists of practitioners described in subdivision  
 2 (1); and  
 3 (B) through which practitioners described in subdivision  
 4 (1) provide health care services.
- 5 (3) An entity that:  
 6 (A) is not a facility; and  
 7 (B) employs practitioners described in subdivision (1) to  
 8 provide health care services.
- 9 (e) Except as provided in subsection (f), an in network  
 10 practitioner who provides health care services to a covered  
 11 individual may not charge more for the health care services than  
 12 allowed according to the rate or amount of compensation  
 13 established by the network plan.
- 14 (f) An in network practitioner who provides health care services  
 15 to a covered individual may charge more for the health care  
 16 services than allowed according to the rate or amount of  
 17 compensation established by the network plan if all of the following  
 18 conditions are met:
- 19 (1) At least five (5) days before the health care services are  
 20 scheduled to be provided to the covered individual, the  
 21 practitioner provides to the covered individual, on a form  
 22 separate from any other form provided to the covered  
 23 individual by the practitioner, a statement in conspicuous type  
 24 at least as large as fourteen (14) point type that meets the  
 25 following requirements:
- 26 (A) Includes a notice reading substantially as follows:  
 27 "[Name of practitioner] intends to charge you more for  
 28 [name or description of health care services] than allowed  
 29 according to the rate or amount of compensation  
 30 established by the network plan applying to your coverage.  
 31 [Name of practitioner] is not entitled to charge this much  
 32 for [name or description of health care services] unless you  
 33 give your written consent to the charge."  
 34 (B) Sets forth the practitioner's good faith estimate of the  
 35 amount that the practitioner intends to charge for the  
 36 health care services provided to the covered individual.  
 37 (C) Includes a notice reading substantially as follows  
 38 concerning the good faith estimate set forth under clause  
 39 (B): "The estimate of our intended charge for [name or  
 40 description of health care services] set forth in this  
 41 statement is provided in good faith and is our best estimate  
 42 of the amount we will charge. If our actual charge for



1                    [name or description of health care services] exceeds our  
2                    estimate, we will explain to you why the charge exceeds the  
3                    estimate."  
4                    (2) The covered individual signs the statement provided under  
5                    subdivision (1), signifying the covered individual's consent to  
6                    the charge for the health care services being greater than  
7                    allowed according to the rate or amount of compensation  
8                    established by the network plan.  
9                    (g) If the charge of a practitioner for health care services  
10                   provided to a covered individual exceeds the estimate provided to  
11                   the covered individual under subsection (f)(1)(B), the facility or  
12                   practitioner shall explain in a writing provided to the covered  
13                   individual why the charge exceeds the estimate.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1004, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1004 as introduced.)

CARBAUGH

Committee Vote: yeas 12, nays 0.

