

HOUSE BILL No. 1049

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-35; IC 27-13-44.

Synopsis: Dental coverage medical loss ratio reports. Requires an insurer and a health maintenance organization that provides coverage for dental services to annually report to the department of insurance medical loss ratios in accordance with the federal medical loss ratio reporting form. Provides for notice and examination to verify the information contained in a report. Requires the department of insurance to annually report to the legislative council and to make recommendations for legislation including, by October 1, 2021, legislation to set a medical loss ratio standard.

Effective: July 1, 2018.

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January 3, 2018, read first time and referred to Committee on Insurance.



Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1049

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

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

1 SECTION 1. IC 27-8-35 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2018]:

4 **Chapter 35. Accident and Sickness Insurer Reporting**

5 **Sec. 1. As used in this chapter, "commissioner" means the**
6 **insurance commissioner of this state.**

7 **Sec. 2. As used in this chapter, "department" means the**
8 **department of insurance of this state.**

9 **Sec. 3. As used in this chapter, "insurer" means an insurer that**
10 **issues a policy of accident and sickness insurance (as defined in**
11 **IC 27-8-5-1) that provides coverage for dental services.**

12 **Sec. 4. As used in this chapter, "medical loss ratio" means the**
13 **proportion of premium revenues spent by an insurer on clinical**
14 **services.**

15 **Sec. 5. An insurer shall:**

- 16 **(1) not later than September 1 of each year; and**
- 17 **(2) for each policy form:**



1 (A) that is issued, amended, or renewed by the insurer; and
 2 (B) through which coverage for dental services is provided;
 3 submit to the department a medical loss ratio report containing the
 4 same information required by the 2013 federal Medical Loss Ratio
 5 Annual Reporting Form (CMS-10418), organized by market and
 6 policy form.

7 Sec. 6. If the commissioner determines that it is necessary to
 8 conduct an examination of an insurer under IC 27-1-3.1 to verify
 9 the representations made by the insurer in an annual report
 10 required by section 5 of this chapter, the department shall provide
 11 written notice of the examination at least thirty (30) days before
 12 the examination commences.

13 Sec. 7. An insurer shall, not later than thirty (30) days after the
 14 date on which the insurer receives written notice under section 6
 15 of this chapter, electronically submit to the department all
 16 requested records, books, and other documents. The commissioner
 17 may extend the time for an insurer to comply with this section for
 18 good cause shown.

19 Sec. 8. The department shall:

20 (1) annually report to the legislative council in an electronic
 21 format under IC 5-14-6:

22 (A) a compilation; and

23 (B) recommendations for legislation, based on the
 24 department's analysis;

25 of the information received by the department under this
 26 chapter;

27 (2) not later than October 1, 2021, make recommendations for
 28 setting a standard for medical loss ratios; and

29 (3) make the information received by the department from
 30 insurers under this chapter available to the public.

31 Sec. 9. The department shall adopt rules under IC 4-22-2 to
 32 provide guidance to insurers in complying with this chapter.

33 SECTION 2. IC 27-13-44 IS ADDED TO THE INDIANA CODE
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2018]:

36 Chapter 44. Health Maintenance Organization Reporting

37 Sec. 1. As used in this chapter, "medical loss ratio" means the
 38 proportion of premium revenues spent by a health maintenance
 39 organization on clinical services.

40 Sec. 2. A health maintenance organization that enters into an
 41 individual contract or a group contract that provides coverage for
 42 dental services shall:



1 (1) not later than September 1 of each year; and

2 (2) for each contract form:

3 (A) that is entered into, amended, or renewed by the health
4 maintenance organization; and

5 (B) through which coverage for dental services is provided;
6 submit to the department a medical loss ratio report containing the
7 same information required by the 2013 federal Medical Loss Ratio
8 Annual Reporting Form (CMS-10418), organized by market and
9 contract form.

10 Sec. 3. If the commissioner determines that it is necessary to
11 conduct an examination of a health maintenance organization
12 under IC 27-13-23 to verify the representations made by the health
13 maintenance organization in an annual report required by section
14 2 of this chapter, the department shall provide written notice of the
15 examination at least thirty (30) days before the examination
16 commences.

17 Sec. 4. A health maintenance organization shall, not more than
18 thirty (30) days after the date on which the health maintenance
19 organization receives written notice under section 3 of this chapter,
20 electronically submit to the department all requested records,
21 books, and other documents. The commissioner may extend the
22 time for a health maintenance organization to comply with this
23 section for good cause shown.

24 Sec. 5. The department shall:

25 (1) annually report to the legislative council in an electronic
26 format under IC 5-14-6:

27 (A) a compilation; and

28 (B) recommendations for legislation, based on the
29 department's analysis;

30 of the information received by the department under this
31 chapter;

32 (2) not later than October 1, 2021, make recommendations for
33 setting a standard for medical loss ratios; and

34 (3) make the information received by the department from
35 health maintenance organizations under this chapter
36 available to the public.

37 Sec. 6. The department shall adopt rules under IC 4-22-2 to
38 provide guidance to health maintenance organizations in
39 complying with this chapter.

