# **HOUSE BILL No. 1251**

#### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-13-16.5-1; IC 5-10-8-17; IC 16-18-2-295.3; IC 16-21-2-17; IC 25-1-9; IC 27-8; IC 27-13.

**Synopsis:** Provider contracting. Specifies requirements for state employee plans, accident and sickness insurers, and health maintenance organizations related to use of contracted health care providers, referrals to and use of noncontracted health care providers, payment amounts, information provided to covered individuals, and independent review of determinations related to claims for services provided by contracted or noncontracted providers. Makes conforming amendments.

Effective: July 1, 2016.

## **Forestal**

January 11, 2016, read first time and referred to Committee on Insurance.



#### Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## **HOUSE BILL No. 1251**

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 4-13-16.5-1, AS AMENDED BY P.L.114-2010,
2	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2016]: Sec. 1. (a) The definitions in this section apply
4	throughout this chapter.
5	(b) "Commission" refers to the governor's commission on minority
6	and women's business enterprises established under section 2 of this
7	chapter.
8	(c) "Commissioner" refers to the deputy commissioner for minority
9	and women's business enterprises of the department.
10	(d) "Contract" means any contract awarded by a state agency or, as
11	set forth in section 2(f)(11) of this chapter, awarded by a recipient of

- (d) "Contract" means any contract awarded by a state agency or, as set forth in section 2(f)(11) of this chapter, awarded by a recipient of state grant funds, for construction projects or the procurement of goods or services, including professional services. For purposes of this subsection, "goods or services" may not include the following when determining the total value of contracts for state agencies:
  - (1) Utilities.
  - (2) Health care services (as defined in <del>IC</del> <del>27-8-11-1(c)).</del>



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1	IC 27-8-11-1(d)).
2	(3) Rent paid for real property or payments constituting the price
3	of an interest in real property as a result of a real estate
4	transaction.
5	(e) "Contractor" means a person or entity that:
6	(1) contracts with a state agency; or
7	(2) as set forth in section $2(f)(11)$ of this chapter:
8	(A) is a recipient of state grant funds; and
9	(B) enters into a contract:
10	(i) with a person or entity other than a state agency; and
11	(ii) that is paid for in whole or in part with the state grant
12	funds.
13	(f) "Department" refers to the Indiana department of administration
14	established by IC 4-13-1-2.
15	(g) "Minority business enterprise" or "minority business" means an
16	individual, partnership, corporation, limited liability company, or joint
17	venture of any kind that is owned and controlled by one (1) or more
18	persons who are:
19	(1) United States citizens; and
20	(2) members of a minority group or a qualified minority nonprofit
21	corporation.
22	(h) "Qualified minority or women's nonprofit corporation" means a
23	corporation that:
24	(1) is exempt from federal income taxation under Section
25	501(c)(3) of the Internal Revenue Code;
26	(2) is headquartered in Indiana;
27	(3) has been in continuous existence for at least five (5) years;
28	(4) has a board of directors that has been in compliance with all
29	other requirements of this chapter for at least five (5) years;
30	(5) is chartered for the benefit of the minority community or
31	women; and
32	(6) provides a service that will not impede competition among
33	minority business enterprises or women's business enterprises at
34	the time a nonprofit applies for certification as a minority
35	business enterprise or a women's business enterprise.
36	(i) "Owned and controlled" means:
37	(1) if the business is a qualified minority nonprofit corporation, a
38	majority of the board of directors are minority;
39	(2) if the business is a qualified women's nonprofit corporation,
40	a majority of the members of the board of directors are women; or
41	(3) if the business is a business other than a qualified minority or
42	women's nonprofit corporation, having:



1	(A) ownership of at least fifty-one percent (51%) of the
2	enterprise, including corporate stock of a corporation;
3	(B) control over the management and active in the day-to-day
4	operations of the business; and
5	(C) an interest in the capital, assets, and profits and losses of
6	the business proportionate to the percentage of ownership.
7	(j) "Minority group" means:
8	(1) Blacks;
9	(2) American Indians;
10	(3) Hispanics; and
11	(4) Asian Americans.
12	(k) "Separate body corporate and politic" refers to an entity
13	established by the general assembly as a body corporate and politic.
14	(l) "State agency" refers to any authority, board, branch,
15	commission, committee, department, division, or other instrumentality
16	of the executive, including the administrative, department of state
17	government.
18	SECTION 2. IC 5-10-8-17 IS ADDED TO THE INDIANA CODE
19	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
20	1, 2016]: Sec. 17. (a) As used in this section, "care obtained in an
21	emergency" means, with respect to a covered individual, health
22	care services that are:
23	(1) furnished by a health care provider within the scope of the
24	health care provider's license and as otherwise authorized
25	under law; and
26	(2) needed to evaluate or stabilize an individual in an
27	emergency.
28	(b) As used in this section, "covered individual" means an
29	individual who is entitled to coverage under a state employee plan.
30	(c) As used in this section, "nonparticipating provider" means
31	a health care provider that has not entered into a contract with a
32	state employee plan to serve as a participating provider.
33	(d) As used in this section, "participating provider" means a
34	health care provider that has entered into a contract with a state
35	employee plan concerning terms and conditions of reimbursement,
36	other than copayments or deductibles, by the state employee plan
37	for health care services provided to covered individuals.
38	(e) As used in this section, "stabilize" means to provide medical
39	treatment to an individual in an emergency as may be necessary to
40	ensure, within reasonable medical probability, that material
41	deterioration of the individual's condition is not likely to result

from or during any of the following:



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1	(1) The discharge of the individual from an emergency
2	department or other care setting where emergency services
3	are provided to the individual.
4	(2) The transfer of the individual from an emergency
5	department or other care setting where emergency services
6	are provided to the individual to another health care facility.
7	(3) The transfer of the individual from a hospital emergency
8	department or other hospital care setting where emergency
9	services are provided to the individual to the hospital's
10	inpatient setting.
11	(f) As used in this section, "state employee plan" means one (1)
12	of the following:
13	(1) A self-insurance program established under section 7(b) of
14	this chapter to provide group health coverage.
15	(2) A contract with a prepaid health care delivery plan that is
16	entered into or renewed under section 7(c) of this chapter.
17	The term includes a person that pays or administers claims on
18	behalf of a state employee plan described in subdivision (1) or (2).
19	(g) The following apply to a state employee plan that contracts
20	with participating providers:
21	(1) The state employee plan shall provide the following to a
22	covered individual:
23	(A) On an annual basis and in electronic or paper form, a
24	directory of participating providers that includes the
25	name, address, telephone number, and specialty of each
26	participating provider.
27	(B) On the state employee plan's Internet web site, and in
28	writing, annually updated information that will allow the
29	covered individual to estimate out-of-pocket costs for
30	health care services received:
31	(i) from a nonparticipating provider; and
32	(ii) in a particular geographic area;
33	based on the difference between what the state employee
34	plan will pay for the health care services and the usual and
35	customary cost of the health care services in the
36	geographic area.
37	(C) Upon receiving notice that a particular health care
38	provider is scheduled to render health care services to the
39	covered individual, whether the health care provider is a
40	participating provider and, if not, the approximate dollar
41	amount that the state employee plan will pay for health



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care services rendered by the nonparticipating provider.

1	An approximate dollar amount provided under this clause
2	is not binding on the state employee plan.
2 3	(2) The state employee plan shall:
4	(A) inform a covered individual that the covered individual
5	may request the directory described in subdivision (1) in
6	paper form; and
7	(B) provide the directory in paper form upon the request
8	of the covered individual.
9	(3) When:
10	(A) a participating provider determines that a covered
11	individual needs a particular health care service; and
12	(B) the state employee plan determines that the type of
13	health care service needed by the covered individual to
14	treat a specific condition is:
15	(i) covered by the state employee plan; and
16	(ii) not available from a participating provider;
17	the participating provider and the state employee plan shall
18	refer the covered individual to an appropriate
19	nonparticipating provider within a reasonable amount of time
20	and within a reasonable geographic proximity of the covered
21	individual.
22	(4) When a covered individual receives health care services
23	from a nonparticipating provider to whom the covered
24	individual was referred under subdivision (3), the following
25	apply:
26	(A) The covered individual is liable only for the deductible,
27	copayment, coinsurance, or other out-of-pocket expense, if
28	any, that would apply if the health care services were
29	provided by a participating provider.
30	(B) The state employee plan shall pay the nonparticipating
31	provider the lesser of the following:
32	(i) An amount equal to the usual, customary, and
33	reasonable charge payable in the geographic area for the
34	health care services.
35	(ii) An amount agreed to between the state employee
36	plan and the nonparticipating provider.
37	(C) The state employee plan or nonparticipating provider
38	may not bill the covered individual for any difference
39	between the nonparticipating provider's charge and the
40	amount paid to the nonparticipating provider under this
41	subdivision.
42	(5) A participating provider's contract with the state



1	employee plan may not provide for a financial or other
2	penalty to the participating provider for making a
3	determination described in subdivision (3).
4	(6) As described in subdivision (7), the state employee plan
5	shall provide coverage for care obtained in an emergency by
6	a covered individual without:
7	(A) prior authorization; or
8	(B) regard to the whether the health care provider that
9	provided health care services to the covered individual in
10	an emergency is a participating provider;
11	in a situation where a prudent lay person could reasonably
12	believe that the covered individual's condition required
13	immediate medical attention. The emergency care obtained by
14	a covered individual under this subdivision includes care for
15	the alleviation of severe pain, which is a symptom of an
16	emergency as described in IC 27-13-1-11.7.
17	(7) The state employee plan shall provide coverage for care
18	obtained in an emergency rendered by a nonparticipating
19	provider at a rate equal to the lesser of the following:
20	(A) The usual, customary, and reasonable charge in the
21	state employee plan's service area for health care services
22	provided during the emergency.
23	(B) An amount agreed to between the state employee plan
24	and the nonparticipating provider.
25	A nonparticipating provider that rendered care obtained in
26	an emergency to a covered individual under this subdivision
27	may not charge the covered individual except for an
28	applicable copayment or deductible. Care and treatment
29	provided to a covered individual once the covered individual
30	is stabilized is not care obtained in an emergency.
31	(h) If a state employee plan does not use an independent review
32	organization for reviews of grievances as described for accident
33	and sickness insurers under IC 27-8-29 and health maintenance
34	organizations under IC 27-13-10.1, the state personnel department
35	shall, in cooperation with the department of insurance created by
36	IC 27-1-1-1, adopt rules under IC 4-22-2 establishing a procedure
37	for independent review of grievances for state employee plans that
38	is substantially similar to the procedure established for accident
39	and sickness insurers under IC 27-8-29.
40	SECTION 3. IC 16-18-2-295.3 IS ADDED TO THE INDIANA
41	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2016]: Sec. 295.3. "Provider contract" means



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1	an agreement with a health care provider relating to terms and
2	conditions of reimbursement for health care services rendered by
3	the health care provider to an individual who is covered under any
4	of the following health benefit plans:
5	(1) A policy of accident and sickness insurance (as defined in
6	IC 27-8-5-1).
7	(2) A contract with a health maintenance organization (as
8	defined in IC 27-13-1-19).
9	(3) A self-insurance program established under
10	IC 5-10-8-7(b), including a person that pays or administers
11	claims on behalf of the self-insurance program.
12	(4) A prepaid health care delivery plan entered into under
13	IC 5-10-8-7(c).
14	SECTION 4. IC 16-21-2-17 IS ADDED TO THE INDIANA CODE
15	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16	1, 2016]: Sec. 17. (a) As used in this section, "provider facility"
17	refers to a hospital, an ambulatory outpatient surgery center, an
18	abortion clinic, or a birthing center that is licensed under this
19	chapter.
20	(b) Before providing nonemergency health care services, a
21	provider facility shall inform the patient of any provider contracts
22	entered into by the provider facility (including the name and
23	entered into by the provider facility (including the name and contact information of the health benefit plan with which the
23 24	• •
23	contact information of the health benefit plan with which the
23 24 25 26	contact information of the health benefit plan with which the provider facility has entered into each provider contract).
23 24 25 26 27	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to
23 24 25 26 27 28	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before
23 24 25 26 27 28 29	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to
23 24 25 26 27 28 29 30	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:
23 24 25 26 27 28 29 30 31	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and
23 24 25 26 27 28 29 30 31 32	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.
23 24 25 26 27 28 29 30 31 32 33	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and
23 24 25 26 27 28 29 30 31 32	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.
23 24 25 26 27 28 29 30 31 32 33 34 35	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other
23 24 25 26 27 28 29 30 31 32 33 34 35 36	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care service to the patient while the patient is in the provider
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur. (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care service to the patient while the patient is in the provider facility; and
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care service to the patient while the patient is in the provider facility; and (2) a list of health benefit plans for which a health professional
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 40	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care service to the patient while the patient is in the provider facility; and (2) a list of health benefit plans for which a health professional described in subdivision (1) has entered into a provider
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39	contact information of the health benefit plan with which the provider facility has entered into each provider contract).  (c) If a patient seeks health care services at a provider facility and the provider facility has not entered into a provider contract with the health benefit plan under which the patient is entitled to coverage for health care services, the provider facility shall, before rendering nonemergency health care services, inform the patient that the estimated charge for the health care services:  (1) is available upon request; and (2) may increase if unanticipated complications occur.  (d) A physician who admits a patient to a provider facility shall inform the patient of:  (1) the name, contact information, and specialty of any other health professional who is scheduled to provide a health care service to the patient while the patient is in the provider facility; and (2) a list of health benefit plans for which a health professional



1	provider facility and on the provider facility's Internet web site,
2	and make available in paper form upon request, the following:
3	(1) A list of health benefit plans for which the provider facility
4	has entered into a provider contract.
5	(2) A warning that charges for physicians who render health
6	care services in the provider facility are not part of the
7	provider facility's charges.
8	(3) A warning that physicians who render health care services
9	in the provider facility may not have entered into a provider
10	contract for the same health benefit plans as the health benefit
11	plans for which the provider facility has entered into a
12	provider contract.
13	(4) The names and specialties of physicians who provide
14	health care services in the provider facility and the manner in
15	which each physician may be contacted to determine the
16	health benefit plans for which the physician has entered into
17	a provider contract.
18	SECTION 5. IC 25-1-9-2 IS AMENDED TO READ AS FOLLOWS
19	[EFFECTIVE JULY 1, 2016]: Sec. 2. (a) Except as provided in
20	subsection (b), as used in this chapter, "practitioner" means an
21	individual who holds:
22	(1) an unlimited license, certificate, or registration;
23	(2) a limited or probationary license, certificate, or registration;
24	(3) a temporary license, certificate, registration, or permit;
25	(4) an intern permit; or
26	(5) a provisional license;
27	issued by the board regulating the profession in question, including a
28	certificate of registration issued under IC 25-20.
29	(b) As used in section 4.5 of this chapter, the term does not
30	include an individual who holds a license, certification,
31	registration, or permit issued under IC 25-19 or IC 25-38.1.
32	SECTION 6. IC 25-1-9-4.5 IS ADDED TO THE INDIANA CODE
33	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
34	1,2016]: Sec. 4.5. (a) As used in this section, "contracted provider"
35	means a practitioner or facility that enters into a contract relating
36	to terms and conditions of reimbursement for health care services
37	rendered by the practitioner or facility to an individual who is
38	covered under a health benefit plan.
39	(b) As used in this chapter, "health benefit plan" means one (1)
40	of the following:
41	(1) A policy of accident and sickness insurance (as defined in
42	IC 27-8-5-1).



1	(2) A contract with a health maintenance organization (as
2	defined in IC 27-13-1-19).
3	(3) A self-insurance program established under
4	IC 5-10-8-7(b), including a person that pays or administers
5	claims on behalf of the self-insurance program.
6	(4) A prepaid health care delivery plan entered into under
7	IC 5-10-8-7(c).
8	(c) A practitioner who is a contracted provider shall do the
9	following:
10	(1) Before providing nonemergency health care services,
11	inform the patient of any health benefit plan (including the
12	name and contact information of the health benefit plan) for
13	which the practitioner is a contracted provider.
14	(2) If a patient seeks health care services and the practitioner
15	is not a contracted provider for the health benefit plan under
16	which the patient is entitled to coverage for health care
17	services, the practitioner shall, before rendering
18	nonemergency health care services, inform the patient that
19	the estimated charge for the health care services:
20	(A) is available upon request; and
21	(B) may increase if unanticipated complications occur.
22	(3) Post in the public area of the practitioner's office and on
23	the practitioner's Internet web site, and make available in
24	paper form upon request, all the following:
25	(A) A list of health benefit plans for which the practitioner
26	is a contracted provider.
27	(B) A warning that charges for health care services
28	rendered by the practitioner in a facility may not be part
29	of the facility's charges.
30	(C) A warning that a facility in which the practitioner
31	provides health care services may not be a contracted
32	provider for the same health benefit plans as the health
33	benefit plans for which the practitioner is a contracted
34	provider.
35	(D) The names of facilities in which the practitioner
36	renders health care services and the manner in which each
37	facility may be contacted to determine the health benefit
38	plans for which the facility is a contracted provider.
39	(4) Upon the practitioner's admission of a patient to a facility,
40	inform the patient of:
41	(A) the name, contact information, and specialty of any



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other practitioner who is scheduled to provide a health

1	care service to the patient while the patient is in the
2	facility; and
3	(B) a list of health benefit plans for which a practitioner
4	described in clause (A) is a contracted provider.
5	SECTION 7. IC 27-8-11-1, AS AMENDED BY P.L.26-2005,
6	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	JULY 1, 2016]: Sec. 1. (a) The definitions in this section apply
8	throughout this chapter.
9	(b) "Contracted provider" means a provider that has entered
10	into an agreement with an insurer under section 3 of this chapter.
11	(b) (c) "Credentialing" means a process through which an insurer
12	makes a determination:
13	(1) based on criteria established by the insurer; and
14	(2) concerning whether a provider is eligible to:
15	(A) provide health care services to an insured; and
16	(B) receive reimbursement for the health care services;
17	under an agreement entered into between the provider and the
18	insurer under section 3 of this chapter.
19	(c) (d) "Health care services":
20	(1) means health care related services or products rendered or
21	sold by a provider within the scope of the provider's license or
22 23 24	legal authorization; and
23	(2) includes hospital, medical, surgical, dental, vision, and
	pharmaceutical services or products.
25	(d) (e) "Insured" means an individual entitled to reimbursement for
26	expenses of health care services under a policy issued or administered
27	by an insurer.
28	(e) (f) "Insurer" means an insurance company authorized in this
29	state to issue policies that provide reimbursement for expenses of
30	health care services.
31	(g) "Noncontracted provider" means a provider that has not
32	entered into an agreement with an insurer under section 3 of this
33	chapter.
34	(f) (h) "Person" means an individual, an agency, a political
35	subdivision, a partnership, a corporation, an association, or any other
36	entity.
37	(g) (i) "Preferred provider plan" means an undertaking to enter into
38	agreements with providers relating to terms and conditions of
39	reimbursements for the health care services of insureds, members, or
40	enrollees relating to the amounts to be charged to insureds, members,
41	or enrollees for health care services.
42	(h) (j) "Provider" means an individual or entity duly licensed or



legally authorized to provide health care services.  SECTION 8. IC 27-8-11-8, AS ADDED BY P.L.125-2  SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECT JULY 1, 2016]: Sec. 8. (a) As used in this section, "insurer" inclinate the following:  (1) An administrator licensed under IC 27-1-25.	TIVE udes of an
<ul> <li>SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECT JULY 1,2016]: Sec. 8. (a) As used in this section, "insurer" included the following:</li> <li>(1) An administrator licensed under IC 27-1-25.</li> </ul>	TIVE udes of an
JULY 1,2016]: Sec. 8. (a) As used in this section, "insurer" includes the following:  (1) An administrator licensed under IC 27-1-25.	udes of an
<ul> <li>the following:</li> <li>(1) An administrator licensed under IC 27-1-25.</li> </ul>	of an
6 (1) An administrator licensed under IC 27-1-25.	
7 (2) A person that pays or administers claims on behalf of	ing:
8 insurer.	ing:
9 (a) (b) An insurer may shall provide to an insured the follows	
10 (1) On an annual basis and in electronic or paper for	m, a
directory of <b>contracted</b> providers with which the insurer	has
12 entered into an agreement under section 3 of this chapter.	that
includes the name, address, telephone number, and spec	ialty
of each contracted provider.	•
15 (2) On the insurer's Internet web site and in writing, annu	ıally
updated information that will allow the insured to estin	•
out-of-pocket costs for health care services received:	
18 (A) from a noncontracted provider; and	
19 <b>(B)</b> in a particular geographic area;	
based on the difference between what the insurer will pay	y for
21 the health care services and the usual and customary co	st of
22 the health care services in the geographic area.	
23 (3) Upon receiving notice that a particular provide	r is
scheduled to render health care services to the insu	red,
whether the provider is a contracted provider and, if not	, the
approximate dollar amount that the insurer will pay	for
health care services rendered by the noncontracted provi	der.
An approximate dollar amount provided under	this
subdivision is not binding on the insurer.	
30 (b) (c) An insurer that provides a directory described in subsection	<del>ction</del>
31 (a) shall:	
32 (1) inform the an insured that the insured may request	the
directory <b>described in subsection (b)</b> in paper form; and	
34 (2) provide the directory in paper form upon the request o	f the
insured.	
36 SECTION 9. IC 27-8-11-11, AS ADDED BY P.L.144-2	.009,
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECT	
JULY 1, 2016]: Sec. 11. (a) As used in this section, "noncontra	
39 provider" means a provider that has not entered into an agreement	
40 an insurer under section 3 of this chapter.	
41 (b) After September 30, 2009, if an insurer makes a payment to	o an

insured for a health care service rendered by a noncontracted provider,



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1	the insurer shall include with the payment instrument written notice to
2	the insured that includes the following:
3	(1) A statement specifying the claims covered by the payment
4	instrument.
5	(2) The name and address of the provider submitting each claim.
6	(3) The amount paid by the insurer for each claim.
7	(4) Any amount of a claim that is the insured's responsibility.
8	(5) A statement in at least 24 point bold type that:
9	(A) instructs the insured to use the payment to pay the
10	noncontracted provider if the insured has not paid the
11	noncontracted provider in full;
12	(B) specifies that paying the noncontracted provider is the
13	insured's responsibility; and
14	(C) states that the failure to make the payment violates the law
15	and may result in collection proceedings or criminal penalties.
16	SECTION 10. IC 27-8-11-12 IS ADDED TO THE INDIANA
17	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
18	[EFFECTIVE JULY 1, 2016]: Sec. 12. (a) As used in this section,
19	"insurer" includes the following:
20	(1) An administrator licensed under IC 27-1-25.
21	(2) A person that pays or administers claims on behalf of an
22	insurer.
23	(b) When:
24	(1) a contracted provider determines that an insured needs a
25	particular health care service; and
26	(2) the insurer determines that the type of health care service
27	needed by the insured to treat a specific condition is:
28	(A) covered by the insurer; and
29	(B) not available from a contracted provider;
30	the contracted provider and the insurer shall refer the insured to
31	an appropriate noncontracted provider within a reasonable
32	amount of time and within a reasonable geographic proximity of
33	the insured.
34	(c) When an insured receives health care services from a
35	noncontracted provider to whom the insured was referred under
36	subsection (b), the following apply:
37	(1) The insured is liable only for the deductible, copayment
38	coinsurance, or other out-of-pocket expense, if any, that
39	would apply if the health care services were provided by a
40	contracted provider.
41	(2) The insurer shall pay the noncontracted provider the
42	lesser of the following:



1	(A) An amount equal to the usual, customary, and
2	reasonable charge payable in the geographic area for the
3	health care services.
4	(B) An amount agreed to between the insurer and the
5	noncontracted provider.
6	(3) The insurer or noncontracted provider may not bill the
7	insured for any difference between the noncontracted
8	provider's charge and the amount paid to the noncontracted
9	provider under this subsection.
10	(d) An agreement entered into by a provider and an insurer
11	under section 3 of this chapter may not provide for a financial or
12	other penalty to the contracted provider for making a
13	determination described in subsection (b).
14	SECTION 11. IC 27-8-11-13 IS ADDED TO THE INDIANA
15	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
16	[EFFECTIVE JULY 1, 2016]: Sec. 13. (a) As used in this section,
17	"care obtained in an emergency" means, with respect to an
18	insured, health care services that are:
19	(1) furnished by a provider within the scope of the provider's
20	license and as otherwise authorized under law; and
21	(2) needed to evaluate or stabilize an individual in an
22	emergency.
23	(b) As used in this section, "stabilize" means to provide medical
24	treatment to an individual in an emergency as may be necessary to
25	ensure, within reasonable medical probability, that material
26	deterioration of the individual's condition is not likely to result
27	from or during any of the following:
28	(1) The discharge of the individual from an emergency
29	department or other care setting where emergency services
30	are provided to the individual.
31	(2) The transfer of the individual from an emergency
32	department or other care setting where emergency services
33	are provided to the individual to another health care facility.
34	(3) The transfer of the individual from a hospital emergency
35	department or other hospital care setting where emergency
36	services are provided to the individual to the hospital's
37	inpatient setting.
38	(c) As described in subsection (d), an insurer shall provide
39	coverage for care obtained in an emergency by an insured without:
40	(1) prior authorization; or
41	(2) regard to the whether the provider who provided health

care services to the insured in an emergency is a contracted



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1	provider;
2	in a situation where a prudent lay person could reasonably believe
3	that the insured's condition required immediate medical attention
4	The emergency care obtained by an insured under this section
5	includes care for the alleviation of severe pain, which is a symptom
6	of an emergency as described in IC 27-13-1-11.7.
7	(d) An insurer shall provide coverage for care obtained in ar
8	emergency rendered by a noncontracted provider at a rate equa
9	to the lesser of the following:
10	(1) The usual, customary, and reasonable charge in the
11	insurer's service area for health care services provided during
12	the emergency.
13	(2) An amount agreed to between the insurer and the
14	noncontracted provider.
15	A noncontracted provider that rendered care obtained in ar
16	emergency to an insured under this subsection may not charge the
17	insured except for an applicable copayment or deductible. Care
18	and treatment provided to an insured once the insured is stabilized
19	is not care obtained in an emergency.
20	SECTION 12. IC 27-8-29-12, AS AMENDED BY P.L.160-2011
21	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2016]: Sec. 12. An insurer shall establish and maintain ar
23	external grievance procedure for the resolution of external grievances
24	regarding the following:
25	(1) The following determinations made by the insurer or an agent
26	of the insurer regarding a service proposed by the treating health
27	care provider:
28	(A) An adverse determination of appropriateness.
29	(B) An adverse determination of medical necessity.
30	(C) A determination that a proposed service is experimental or
31	investigational.
32	(D) A denial of coverage based on a waiver described in
33	IC 27-8-5-2.5(e) (expired July 1, 2007, and removed) or
34	IC 27-8-5-19.2 (expired July 1, 2007, and repealed).
35	(2) The insurer's decision to rescind an accident and sickness
36	insurance policy.
37	(3) A determination made by the insurer or an agent of the
38	insurer in connection with payment of a claim based or
39	whether the service was provided by a contracted provider (as
40	defined in IC 27-8-11-1) or a noncontracted provider (as
41	defined in IC 27-8-11-1).

SECTION 13. IC 27-13-1-22.5 IS ADDED TO THE INDIANA



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1	CODE AS A NEW SECTION TO READ AS FOLLOWS
2	[EFFECTIVE JULY 1, 2016]: Sec. 22.5. "Nonparticipating
3	provider" means a provider that has not entered into a contract
4	with a health maintenance organization to serve as a participating
5	provider.
6	SECTION 14. IC 27-13-9-1, AS AMENDED BY P.L.125-2005,
7	SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8	JULY 1, 2016]: Sec. 1. (a) Upon:
9	(1) the enrollment; and
10	(2) each reenrollment;
11	of a subscriber, a health maintenance organization must provide to the
12	subscriber in electronic or paper form a list of providers who provide
13	health care services through the health maintenance organization. The
14	health maintenance organization must also provide the list of providers
15	in electronic or paper form to a potential enrollee upon request.
16	(b) A health maintenance organization shall:
17	(1) inform a subscriber or potential enrollee that the subscriber or
18	potential enrollee may request a list described in subsection (a) in
19	paper form; and
20	(2) provide the list in paper form upon the request of the
21	subscriber or potential enrollee.
22	(c) Upon receiving notice that a particular provider is scheduled
23	to render health care services to an enrollee, a health maintenance
24	organization shall inform the enrollee concerning whether the
25	provider is a participating provider and, if not, the approximate
26	dollar amount that the health maintenance organization will pay
27	for health care services rendered by the nonparticipating provider
28	An approximate dollar amount provided under this subsection is
29	not binding on the health maintenance organization.
30	SECTION 15. IC 27-13-10.1-1, AS AMENDED BY P.L.160-2011,
31	SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32	JULY 1, 2016]: Sec. 1. A health maintenance organization shall
33	establish and maintain an external grievance procedure for the
34	resolution of grievances regarding the following:
35	(1) The following determinations made by the health maintenance
36	organization or an agent of the health maintenance organization
37	regarding a service proposed by the treating physician:
38	(A) An adverse utilization review determination (as defined in
39	IC 27-8-17-8).
40	(B) An adverse determination of medical necessity.



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(C) A determination that a proposed service is experimental or

investigational.

1	(2) The health maintenance organization's decision to rescind an
2	individual contract or a group contract.
3	(3) A determination made by the health maintenance
4	organization or an agent of the health maintenance
5	organization in connection with payment of a claim based on
5	whether the service was provided by a participating provider
7	or a nonparticipating provider.

