

# HOUSE BILL No. 1291

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-17; IC 16-18-2; IC 16-21; IC 25-1-9; IC 27-8-5-30; IC 27-13-9-6.

**Synopsis:** Access to health care cost information. Requires health care providers and health plans to provide to covered individuals and patients certain information concerning the cost of health care services. Requires health care providers to publish a payment policy for medically necessary health care services not covered by a third party payment source.

**Effective:** July 1, 2016.

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January 12, 2016, read first time and referred to Committee on Insurance.

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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. 1291

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 5-10-8-17 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2016]: **Sec. 17. (a) As used in this section, "covered individual"**  
4 **means an individual who is entitled to coverage under a state**  
5 **employee plan.**  
6 **(b) As used in this section, "state employee plan" means one (1)**  
7 **of the following:**  
8 **(1) A self-insurance program established under section 7(b) of**  
9 **this chapter to provide group health coverage.**  
10 **(2) A contract with a prepaid health care delivery plan that is**  
11 **entered into or renewed under section 7(c) of this chapter.**  
12 **The term includes a person that pays or administers claims on**  
13 **behalf of a state employee plan described in subdivision (1) or (2).**  
14 **(c) Upon a covered individual's request to a state employee plan**  
15 **for information concerning the out-of-pocket cost the covered**  
16 **individual will incur for a prescribed, nonemergency health care**  
17 **service, the following apply:**



1 (1) The state employee plan may refer the covered individual  
2 to an information resource, such as an Internet web site or an  
3 application program, that provides a good faith estimate of  
4 the out-of-pocket cost.

5 (2) If the state employee plan does not make a referral  
6 described in subdivision (1) or if the covered individual  
7 notifies the state employee plan that the covered individual  
8 does not have access to the information resource, the state  
9 employee plan shall, not more than five (5) business days after  
10 receiving the request or notice, provide in verbal, electronic,  
11 or (upon request) written form:

12 (A) a good faith estimate of the out-of-pocket cost the  
13 covered individual will incur; and

14 (B) notice that:

15 (i) an estimate provided under this section is not binding  
16 on the health care provider; and

17 (ii) the actual out-of-pocket cost may vary based on the  
18 covered individual's medical needs.

19 A state employee plan may not charge a covered individual for  
20 information provided under this subsection.

21 SECTION 2. IC 16-18-2-129.6 IS ADDED TO THE INDIANA  
22 CODE AS A NEW SECTION TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2016]: **Sec. 129.6. "Financial assistance  
24 policy" has the meaning set forth in in 26 CFR 1.501(r)-1.**

25 SECTION 3. IC 16-18-2-295.5 IS ADDED TO THE INDIANA  
26 CODE AS A NEW SECTION TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2016]: **Sec. 295.5. "Provider facility" refers  
28 to a hospital, an ambulatory outpatient surgery center, an abortion  
29 clinic, or a birthing center that is licensed under IC 16-21-2.**

30 SECTION 4. IC 16-21-2-17 IS ADDED TO THE INDIANA CODE  
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
32 1, 2016]: **Sec. 17. (a) This section does not apply to a patient who is  
33 a Medicaid recipient.**

34 (b) Upon a patient's request to a provider facility for  
35 information concerning the out-of-pocket cost the patient will incur  
36 for a prescribed, nonemergency health care service, the following  
37 apply:

38 (1) The provider facility may refer the patient to an  
39 information resource, such as an Internet web site or an  
40 application program, that provides a good faith estimate of  
41 the out-of-pocket cost.

42 (2) If the provider facility does not make a referral described



1           **in subdivision (1) or if the patient notifies the provider facility**  
 2           **that the patient does not have access to the information**  
 3           **resource, the provider facility shall, not more than five (5)**  
 4           **business days after receiving the request or notice, provide in**  
 5           **verbal, electronic, or (upon request) written form:**

6           **(A) a good faith estimate of the out-of-pocket cost the**  
 7           **patient will incur; and**

8           **(B) notice that:**

9           **(i) an estimate provided under this section is not binding**  
 10           **on the provider facility; and**

11           **(ii) the actual out-of-pocket cost may vary based on the**  
 12           **patient's medical needs.**

13           **A provider facility may not charge a patient for information**  
 14           **provided under this subsection.**

15           **(c) This section does not require a provider facility to provide**  
 16           **the information required by subsection (b) more than one (1) time**  
 17           **per prescription of the nonemergency health care service.**

18           **(d) A provider facility shall, if the provider facility:**

19           **(1) has an Internet web site, publish on the provider facility's**  
 20           **Internet web site; or**

21           **(2) does not have an Internet web site, post in a visible**  
 22           **location in the provider facility;**

23           **the provider facility's policy concerning payment for medically**  
 24           **necessary health care services for which a patient does not have**  
 25           **coverage by a third party payment source. A provider facility that**  
 26           **meets the requirements of 26 U.S.C. 501(r) and 26 CFR 1.501(r),**  
 27           **as in effect on January 1, 2016, is considered to meet the**  
 28           **requirements of this subsection with respect to health care services**  
 29           **determined to be medically necessary under the provider facility's**  
 30           **financial assistance policy.**

31           SECTION 5. IC 16-21-3-2, AS AMENDED BY P.L.197-2011,  
 32           SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33           JULY 1, 2016]: Sec. 2. The state health commissioner may take action  
 34           under section 1 of this chapter on any of the following grounds:

35           (1) Violation of any of the provisions of this chapter or of the  
 36           rules adopted under this chapter.

37           (2) Permitting, aiding, or abetting the commission of any illegal  
 38           act in an institution.

39           (3) Knowingly collecting or attempting to collect from a  
 40           subscriber (as defined in IC 27-13-1-32) or an enrollee (as defined  
 41           in IC 27-13-1-12) of a health maintenance organization (as  
 42           defined in IC 27-13-1-19) any amounts that are owed by the



1 health maintenance organization.

2 (4) Conduct or practice found by the state department to be  
3 detrimental to the welfare of the patients of an institution.

4 **(5) A violation of IC 16-21-2-17.**

5 SECTION 6. IC 25-1-9-2 IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE JULY 1, 2016]: Sec. 2. **(a) Except as provided in**  
7 **subsection (b)**, as used in this chapter, "practitioner" means an  
8 individual who holds:

- 9 (1) an unlimited license, certificate, or registration;  
10 (2) a limited or probationary license, certificate, or registration;  
11 (3) a temporary license, certificate, registration, or permit;  
12 (4) an intern permit; or  
13 (5) a provisional license;

14 issued by the board regulating the profession in question, including a  
15 certificate of registration issued under IC 25-20.

16 **(b) As used in section 4.5 of this chapter, the term does not**  
17 **include an individual who holds a license, certification,**  
18 **registration, or permit issued under the following:**

- 19 (1) IC 25-19.  
20 (2) IC 25-38.1.

21 SECTION 7. IC 25-1-9-4.5 IS ADDED TO THE INDIANA CODE  
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
23 1, 2016]: Sec. 4.5. **(a) This section does not apply to a patient who**  
24 **is a Medicaid recipient.**

25 **(b) Upon a patient's request to a practitioner for information**  
26 **concerning the out-of-pocket cost the patient will incur for a**  
27 **prescribed, nonemergency health care service, the following apply:**

28 (1) The practitioner may refer the patient to an information  
29 resource, such as an Internet web site or an application  
30 program, that provides a good faith estimate of the  
31 out-of-pocket cost.

32 (2) If the practitioner does not make a referral or if the  
33 patient notifies the practitioner that the patient does not have  
34 access to the information resource, the practitioner shall, not  
35 more than five (5) business days after receiving the request or  
36 notice, provide in verbal, electronic, or (upon request) written  
37 form:

- 38 (A) a good faith estimate of the out-of-pocket cost the  
39 patient will incur; and  
40 (B) notice that:  
41 (i) an estimate provided under this section is not binding  
42 on the practitioner; and



1 (ii) the actual out-of-pocket cost may vary based on the  
2 patient's medical needs.

3 A practitioner may not charge a patient for information provided  
4 under this subsection.

5 (c) This section does not require a practitioner to provide the  
6 information required by subsection (b) more than one (1) time per  
7 prescription of the nonemergency health care service.

8 (d) A practitioner shall, if the practitioner:

9 (1) has an Internet web site, publish on the practitioner's  
10 Internet web site; or

11 (2) does not have an Internet web site, post in a visible  
12 location in the practitioner's office;

13 the practitioner's policy concerning payment for medically  
14 necessary health care services for which a patient does not have  
15 coverage by a third party payment source.

16 SECTION 8. IC 27-8-5-30 IS ADDED TO THE INDIANA CODE  
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
18 1, 2016]: **Sec. 30. Upon an insured's request to an insurer that  
19 issues a policy of accident and sickness insurance for information  
20 concerning the out-of-pocket cost the insured will incur for a  
21 prescribed, nonemergency health care service, the following apply:**

22 (1) The insurer may refer the insured to an information  
23 resource, such as an Internet web site or an application  
24 program, that provides a good faith estimate of the  
25 out-of-pocket cost.

26 (2) If the insurer does not make a referral or if the insured  
27 notifies the insurer that the insured does not have access to  
28 the information resource, the insurer shall, not more than five  
29 (5) business days after receiving the request or notice, provide  
30 in verbal, electronic, or (upon request) written form:

31 (A) a good faith estimate of the out-of-pocket cost the  
32 insured will incur; and

33 (B) notice that:

34 (i) an estimate provided under this section is not binding  
35 on the insurer; and

36 (ii) the actual out-of-pocket cost may vary based on the  
37 insured's medical needs.

38 An insurer may not charge an insured for information provided  
39 under this section.

40 SECTION 9. IC 27-13-9-6 IS ADDED TO THE INDIANA C ODE  
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
42 1, 2016]: **Sec. 6. Upon an enrollee's request to a health maintenance**



1 organization for information concerning the out-of-pocket cost the  
2 enrollee will incur for a prescribed, nonemergency health care  
3 service, the following apply:

4 (1) The health maintenance organization may refer the  
5 enrollee to an information resource, such as an Internet web  
6 site or an application program, that provides a good faith  
7 estimate of the out-of-pocket cost.

8 (2) If the health maintenance organization does not make a  
9 referral or if the enrollee notifies the health maintenance  
10 organization that the enrollee does not have access to the  
11 information resource, the health maintenance organization  
12 shall, not more than five (5) business days after receiving the  
13 request or notice, provide in verbal, electronic, or (upon  
14 request) written form:

15 (A) a good faith estimate of the out-of-pocket cost the  
16 enrollee will incur; and

17 (B) notice that:

18 (i) an estimate provided under this section is not binding  
19 on the health maintenance organization; and

20 (ii) the actual out-of-pocket cost may vary based on the  
21 enrollee's medical needs.

22 A health maintenance organization may not charge an enrollee for  
23 information provided under this section.

