

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1213 - SB 1392

February 11, 2023

SUMMARY OF BILL: Authorizes an individual who is insured under a healthcare plan to choose to pay for healthcare services out-of-pocket. Requires the healthcare entity to send documentation to the carrier if a covered person negotiates for a lower cost for the healthcare services than the average allowed amount paid by the carrier to network providers for a comparable healthcare service, and the covered person pays for healthcare services out-of-pocket.

Requires a carrier that receives such documentation to count the full amount that the covered person paid out-of-pocket toward the covered person's deductible, coinsurance, copayment, or other cost-sharing amount, regardless of whether the healthcare entity belongs to the provider network in the healthcare plan, if: (1) the healthcare services are included under the covered person's insurance plan; and (2) the covered person negotiated for a lower cost for the healthcare service than the average allowed amount paid by the carrier to network providers for that comparable healthcare service.

States that the amount counted toward a covered person's out-of-pocket deductible, coinsurance, copayment, or other cost-sharing amount must not exceed the total amount that the covered person is required to pay out-of-pocket during a contractually agreed upon period of time for healthcare services that are included under the covered person's insurance plan, and does not carry over once a new contract or agreement period for the insurance plan begins.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation will have no impact on the plans offered by the Division of TennCare.
- The number of members in the State Group Insurance Program choosing to pay for healthcare services out-of-pocket is estimated to be minimal and only if it is financially advantageous to the member. Any out-of-pocket payments by members will result in reduced costs to the plans considered to be not significant.
- The proposed legislation will not have a significant impact on the policies or procedures of the Department of Commerce and Insurance.

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IMPACT TO COMMERCE:

Other Commerce Impact – Due to several unknown factors, an exact impact to commerce cannot be determined; however, any impact to jobs in Tennessee is estimated to be not significant.

Assumptions:

- Due to multiple unknown factors, such as how many individuals will choose to pay out-of-pocket, and the terms comprising each individual policy of healthcare, an exact impact to commerce cannot be determined with reasonable certainty.
- The proposed legislation will not result in additional services; therefore, any impact on jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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