



February 19, 2023

**SUMMARY OF BILL AS AMENDED (004097):** Authorizes an enrollee in a healthcare plan to choose to pay for healthcare services out-of-pocket from an out-of-network provider. Requires the enrollee to send certain documentation to the carrier if the enrollee negotiates for a lower cost for the healthcare services than the average allowed amount paid by the carrier to a network provider for a comparable healthcare service, and the enrollee pays for healthcare services out-of-pocket.

Requires a carrier that receives such documentation to count the full amount that the enrollee paid out-of-pocket toward the enrollee's deductible, coinsurance, copayment, or other cost-sharing amount, if: (1) the healthcare service is included under the enrollee's insurance plan; and (2) the enrollee 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 an enrollee'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.

Reduces, from one year to 30 days, the timeframe in which a carrier's interactive member portal or toll-free phone number must allow an enrollee seeking information about the cost of a particular healthcare service to estimate out-of-pocket costs applicable to that enrollee and compare the average allowed amount paid to a network provider for the procedure or service under the enrollee's health plan.

**FISCAL IMPACT OF BILL AS AMENDED:**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- 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.

## **IMPACT TO COMMERCE OF BILL AS AMENDED:**

**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 for the bill as amended:

- 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.



Krista Lee Carsner, Executive Director

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