



# State of Tennessee

## PUBLIC CHAPTER NO. 244

### HOUSE BILL NO. 1213

**By Mr. Speaker Sexton and Representatives Vaughan, Todd, Terry, Hardaway, Towns, Moody, Howell, Cepicky, White, Carringer**

**Substituted for: Senate Bill No. 1392**

**By Mr. Speaker McNally and Senators Reeves, Jackson**

AN ACT to amend Tennessee Code Annotated, Title 8; Title 56 and Title 71, relative to insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-602, is amended by adding the following appropriately designated subdivisions:

( ) "Emergency medical service" means the service used in responding to the perceived individual need for immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury;

( ) "Healthcare service":

(A) Means a service for the diagnosis, prevention, treatment, cure, or relief of a health condition, illness, injury, or disease;

(B) Includes a prescription drug or device; and

(C) Does not include an emergency medical service;

SECTION 2. Tennessee Code Annotated, Section 56-7-604(b)(2), is amended by deleting the language "not to exceed one (1) year" and substituting instead the language "not to exceed thirty (30) days".

SECTION 3. Tennessee Code Annotated, Section 56-7-610, is amended by deleting the section and substituting instead:

(a) An enrollee may choose to pay for a healthcare service out-of-pocket from an out-of-network provider. If an enrollee negotiates for a lower cost from an out-of-network provider than the average allowed amount paid by the carrier to a network provider for a comparable healthcare service, and the enrollee pays for the healthcare service out-of-pocket, then the enrollee may send documentation, which may be sent electronically, to the carrier, that provides the following:

(1) The healthcare service the enrollee or patient received and the healthcare provider's name and contact information;

(2) The order from the healthcare provider given to the enrollee or patient pursuant to § 56-7-605 and the final bill or statement for the healthcare service;

(3) The average payments made by the carrier to network entities or providers for comparable healthcare services if this information is made available to the enrollee pursuant to this part;

(4) The negotiated cost of the healthcare service that the enrollee received; and

(5) A statement that:

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(A) The enrollee paid out-of-pocket for the healthcare services received; and

(B) The healthcare entity is not making a claim against the carrier for payment for the healthcare service provided to the enrollee or patient.

(b) A carrier that receives the documentation described in subsection (a) shall count the full amount that the enrollee paid out-of-pocket toward the enrollee's deductible, coinsurance, copayment, or other cost-sharing amount:

(1) If the healthcare service is included under the enrollee's health 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.

(c) 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.

SECTION 4. Tennessee Code Annotated, Section 56-7-609, is amended by designating the existing language as subdivision (a)(1) and adding the following new subdivision (a)(2):

The monetary limit on incentives described in subdivision (a)(1) does not apply to § 56-7-610.

SECTION 5. Tennessee Code Annotated, Section 56-7-603(a)(1), is amended by deleting "Beginning on January 1, 2021, a carrier may provide incentives" and substituting "In addition to the requirements of § 56-7-610, beginning on January 1, 2021, a carrier may provide incentives".

SECTION 6. Tennessee Code Annotated, Section 56-7-603(a)(2), is amended by deleting "Incentives, effective January 1, 2021, may" and substituting "In addition to the requirements of § 56-7-610, incentives, effective January 1, 2021, may".

SECTION 7. This act takes effect July 1, 2023, the public welfare requiring it.

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PASSED: March 30, 2023



CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES



RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 25<sup>th</sup> day of April 2023



BILL LEE, GOVERNOR