

SENATE BILL 1816

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 57; Title 56 and Title 68, relative to certain practices of health maintenance organizations, preferred provider organizations, managed health care organizations or other health care payors and health care providers.

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

SECTION 1. Tennessee Code Annotated, Title 56, is amended by adding a new, appropriately designated section thereto:

(a) The commissioner of commerce and insurance shall convene a working group of representatives from the health insurance industry and the health care providers to study recent trends concerning various issues affecting the health insurance industry and those providing the health care, including, but not limited to:

(1) The reasons for the rising cost of health insurance premiums and potential solutions to slow the growth;

(2) The manner and extent to which health insurance entities negotiate or pay a discounted rate for services performed by a physician, hospital or other health care provider without the health care provider's complete understanding of what that rate eventually might be;

(3) The development of networks that specifically exclude certain medical professionals or exclude persons within a medical profession;

(4) The extent of any likely adverse impact on the ability of health maintenance organizations, preferred provider organizations, managed health care organizations or other health care payors to negotiate optimal payment and service arrangements with hospitals, physicians, allied health care professionals

or other health care providers due to the manner in which the health insurance industry operates;

(5) The extent of any reduction in competition among physicians, allied health professionals, other health care providers or other persons furnishing goods or services to, or in competition with, hospitals due to the manner in which the health insurance industry operates;

(6) The extent of any likely adverse impact on patients in the quality of care provided, or availability and price of health care services due to the manner in which the health insurance industry operates; and

(7) Any other issue that may be presented to the working group which, if corrected, would be more cost effective and provide a more efficient and competitive delivery of health care in this state.

(b) Representatives from the health insurance industry shall include, but not be limited to, health maintenance organizations, preferred provider organizations, managed health care organizations or other health care payors, with each type of health insurance entity nominating a person to represent it on the working group.

(c) Representatives from the health care providers shall include at least one (1) representative from each of the health care professionals or organizations licensed pursuant to title 63, with each professional group nominating a person to represent its group.

(d) The working group shall receive input from the health insurance industry, the department of health, the department of commerce and insurance, the department of mental health, preferred provider organizations, managed health care organizations, other health care payors, health care providers and patients.

(e)

(1) No later than January 1, 2013, the working group shall submit a report regarding its findings and recommendations, at which time the working group shall no longer exist.

(2) The report described in subdivision (e)(1) shall be submitted to the governor, the commerce committee of the house of representatives and the commerce, labor and agricultural committee of the senate.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.