

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Health and Environmental Affairs, to which was referred Senate Bill No. 293, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 4, delete "Confirmation of Denial by Insurer's
- 2 Medical" and insert "**Interference With the Independent Medical**
- 3 **Judgment of a Physician**".
- 4 Page 1, delete lines 5 through 15.
- 5 Page 2, delete lines 1 through 18.
- 6 Page 2, delete lines 21 through 33, begin a new paragraph and
- 7 insert:
- 8 "**Sec. 2. As used in this chapter, "economic penalty" means any**
- 9 **of the following:**
- 10 (1) **A reduction in compensation or other financial penalty.**
- 11 (2) **The failure to renew a physician's contract with a**
- 12 **managed care entity."**
- 13 Page 2, line 34, delete "5" and insert "3".
- 14 Page 2, line 39, delete "health insurance carrier, a health".
- 15 Page 2, line 40, delete "maintenance organization, or another".
- 16 Page 2, delete lines 41 through 42, begin a new paragraph and
- 17 insert:
- 18 "**Sec. 4. (a) As used in this chapter, "managed care entity"**
- 19 **means any of the following:**
- 20 (1) **A health maintenance organization (as defined in**

1 **IC 27-13-1-19).**
 2 **(2) An insurer (as defined in IC 27-8-11-1) that has entered**
 3 **into a reimbursement agreement under IC 27-8-11-3, or that**
 4 **offers a health care plan for sale in Indiana.**

5 **Sec. 5. As used in this chapter, "physician" has the meaning set**
 6 **forth in IC 25-27.5-2-9.**

7 **Sec. 6. A managed care entity interferes with the independent**
 8 **medical judgment of a physician if:**

9 **(1) an action, policy, or other requirement of the managed**
 10 **care entity; or**

11 **(2) an employee or agent of the managed care entity;**
 12 **causes the physician to reasonably believe that the physician will**
 13 **suffer an economic penalty unless the physician reduces the**
 14 **amount or quality of medical care for a patient that the physician**
 15 **would otherwise consider appropriate for the patient.**

16 **Sec. 7. A managed care entity that interferes with the**
 17 **independent medical judgment of a physician is liable for damages**
 18 **for harm to a patient proximately caused by the reduction of the**
 19 **amount or quality of medical care received by a patient."**

- 20 Delete page 3.
- 21 Page 4, delete lines 1 through 32.
- 22 Page 4, line 33, delete "3" and insert "8".
- 23 Page 4, line 33, delete "2" and insert "7".
- 24 Page 4, line 33, delete "on a" and insert ",".
- 25 Page 4, delete lines 34 through 36.
- 26 Page 4, line 37, delete "care entity".
- 27 Page 4, line 39, delete "health insurance carrier, health
- 28 maintenance".
- 29 Page 4, line 40, delete "organization, or other".
- 30 Page 4, line 41, delete "the" and insert "**an**".
- 31 Page 4, line 41, delete ", agent, ostensible agent, or representative"
- 32 and insert "**or agent of the**".
- 33 Page 4, delete line 42.
- 34 Page 5, line 1, delete "maintenance organization, or other".
- 35 Page 5, line 1, delete "is" and insert ";".
- 36 Page 5, delete line 2.
- 37 Page 5, line 3, delete "health care" and insert "**medical judgment**
- 38 **in question; and"**.

- 1 Page 5, delete line 4.
- 2 Page 5, line 5, delete "health insurance carrier, health
3 maintenance".
- 4 Page 5, line 6, delete "organization, or other".
- 5 Page 5, line 8, delete "health care provider to the insured or
6 enrollee in" and insert "**physician for the patient.**".
- 7 Page 5, delete line 9.
- 8 Page 5, line 10, delete "4" and insert "9".
- 9 Page 5, line 10, delete "Sections 1 and 2 of this" and insert "**This**".
- 10 Page 5, line 10, delete "do" and insert "**does**".
- 11 Page 5, line 10, delete "health".
- 12 Page 5, delete line 11.
- 13 Page 5, line 13, after "the" insert "**applicable**".
- 14 Page 5, delete lines 14 through 42, begin a new paragraph and
15 insert:
- 16 **"Sec. 10. This chapter does not create any liability on the part**
17 **of an employer that purchases coverage or assumes risk on behalf**
18 **of its employees.**
- 19 **Sec. 11. A managed care entity may not:**
- 20 **(1) remove a physician from its health care plan; or**
- 21 **(2) refuse to renew the status of a physician with the health**
22 **care plan;**
- 23 **for advocating on behalf of an insured or enrollee with respect to**
24 **an alleged interference by the managed care entity with the**
25 **independent medical judgment of the physician.**
- 26 **Sec. 12. (a) A managed care entity may not enter into a**
27 **contract with a physician that includes an indemnification or hold**
28 **harmless clause applying to the acts or conduct of the managed**
29 **care entity for interference with the physician's independent**
30 **medical judgment under this chapter.**
- 31 **(b) An indemnification or hold harmless clause described in**
32 **subsection (a) is void.**
- 33 **Sec. 13. A law prohibiting a managed care entity from**
34 **practicing medicine or being licensed to practice medicine may not**
35 **be asserted as a defense by a managed care entity in an action**
36 **brought under this chapter."**

- 1 Page 6, delete lines 1 through 12.
- 2 Page 6, line 13, delete "IC 27-14" and insert "**IC 27-8-27**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 293 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 2.

Senator Miller,

Chairperson