

SENATE BILL No. 216

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-13.

Synopsis: Termination of participating providers. Requires that a health maintenance organization and a limited service health maintenance organization notify an enrollee in writing of the termination of a participating provider seen by the enrollee during the previous year. Requires that a provider contract provide that, at the enrollee's request, a provider must continue to care for an enrollee for up to one year following termination of the provider's contract with a health maintenance organization or limited service health maintenance organization if the termination was not due to a quality of care issue.

Effective: July 1, 1999.

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January 6, 1999, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 216



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-13-9-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) A health
3 maintenance organization shall notify an enrollee in writing of the
4 termination of:

5 (1) the provider who currently provides primary health care
6 services to that enrollee; **and**

7 (2) **any other participating provider seen by the enrollee**
8 **during the previous year.**

9 (b) After the termination of the provider who provided primary
10 health care services to an enrollee, the health maintenance organization
11 shall assist the enrollee in transferring to another participating primary
12 care provider.

13 SECTION 2. IC 27-13-34-12 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. A limited service
15 health maintenance organization operated under this chapter is subject
16 to the following:

17 (1) IC 27-13-8, except for IC 27-13-8-2(a)(5) concerning reports.



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- 1 (2) **IC 27-13-9-3 concerning termination of providers.**
 2 (3) IC 27-13-10-1 through IC 27-13-10-3 concerning grievance
 3 procedures.
 4 ~~(3)~~ (4) IC 27-13-11 concerning investments.
 5 ~~(4)~~ (5) IC 27-13-15-1(a)(2) through IC 27-13-15-1(a)(3)
 6 concerning gag clauses in contracts.
 7 ~~(5)~~ (6) IC 27-13-21 concerning producers.
 8 ~~(6)~~ (7) IC 27-13-29 concerning statutory construction and
 9 relationship to other laws.
 10 ~~(7)~~ (8) IC 27-13-30 concerning public records.
 11 ~~(8)~~ (9) IC 27-13-31 concerning confidentiality of medical
 12 information and limitation of liability.
 13 ~~(9)~~ (10) IC 27-13-36-5 and IC 27-13-36-6 concerning referrals to
 14 out of network providers and continuation of care.
 15 ~~(10)~~ (11) IC 27-13-40 concerning comparison sheets of services
 16 provided by the limited service health maintenance organization.

17 SECTION 3. IC 27-13-36-6 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) A health
 19 maintenance organization shall include provisions in the health
 20 maintenance organization's contracts with providers to provide for
 21 continuation of care in the event that a provider's contract with the
 22 health maintenance organization is terminated, provided that the
 23 termination is not due to a quality of care issue.

24 (b) The contract provisions under subsection (a) shall require that
 25 the provider, upon the request of the enrollee, continue to treat the
 26 enrollee for up to ~~sixty (60) days~~ **one (1) year** following the
 27 termination of the provider's contract with the health maintenance
 28 organization. ~~or; in the case of a pregnant enrollee in the third trimester~~
 29 ~~of pregnancy; throughout the term of the enrollee's pregnancy. If the~~
 30 ~~provider is a hospital; the contract shall provide for continuation of~~
 31 ~~treatment until the earlier of the following:~~

- 32 ~~(1) Sixty (60) days following the termination of the provider's~~
 33 ~~contract with the health maintenance organization.~~
 34 ~~(2) The enrollee is released from inpatient status at the hospital.~~

- 35 (c) During a continuation period under this section, the provider:
 36 (1) shall agree to continue accepting the contract terms and
 37 conditions, together with applicable deductibles and copayments,
 38 as payment in full; and
 39 (2) is prohibited from billing the enrollee for any amounts in
 40 excess of the enrollee's applicable deductible or copayment.

41 SECTION 4. [EFFECTIVE JULY 1, 1999] (a) **IC 27-13-36-6, as**
 42 **amended by this act, applies to contracts entered into, amended, or**



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1 renewed after June 30, 1999.
2 (b) This SECTION expires June 30, 2001.

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