

HOUSE BILL No. 1232

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-5-27; IC 27-13.

Synopsis: Notice of benefit changes. Prohibits an accident and sickness insurer, a preferred provider plan, a health maintenance organization, and a limited service health maintenance organization from changing a benefit or service provided under a benefit under a policy or contract during the policy or contract period. Requires that an accident and sickness insurer change a policy benefit or service provided under the benefit only upon policy renewal with at least 30 days prior written notice to the policyholder and certificate holder. Requires that a health maintenance organization and a limited service health maintenance organization change a contract benefit or service provided under the benefit only upon contract renewal with at least 30 days prior written notice to the contract holder and subscriber.

Effective: July 1, 1999.

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January 11, 1999, read first time and referred to Committee on Insurance, Corporations and Small Business.

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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.

HOUSE BILL No. 1232



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 27-8-5-27 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1999]: **Sec. 27. (a) For purposes of this section, "insurer" means**
4 **a person that issues a policy of accident and sickness insurance on**
5 **an individual, group, franchise, or blanket basis, or through a**
6 **preferred provider plan (as defined in IC 27-8-11-1).**
7 (b) An insurer may not change a:
8 (1) benefit; or
9 (2) service provided under a benefit;
10 provided under a policy of accident and sickness insurance during
11 the policy period.
12 (c) An insurer may change a:
13 (1) benefit; or
14 (2) service provided under a benefit;
15 provided under a policy of accident and sickness insurance only
16 upon renewal of the policy with written notice to the policyholder
17 and certificate holder at least thirty (30) days before the policy



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- 1 **renewal date.**
 2 SECTION 2. IC 27-13-7-15 IS ADDED TO THE INDIANA CODE
 3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 4 1, 1999]: **Sec. 15. (a) A health maintenance organization may not**
 5 **change a:**
 6 (1) **benefit; or**
 7 (2) **service provided under a benefit;**
 8 **provided under a group contract or individual contract during the**
 9 **contract period.**
 10 (b) **A health maintenance organization may change a:**
 11 (1) **benefit; or**
 12 (2) **service provided under a benefit;**
 13 **provided under a group contract or individual contract only upon**
 14 **renewal of the contract with written notice to the contract holder**
 15 **and subscriber at least thirty (30) days before the contract renewal**
 16 **date.**
 17 SECTION 3. IC 27-13-34-12 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. A limited service
 19 health maintenance organization operated under this chapter is subject
 20 to the following:
 21 (1) **IC 27-13-7-15 concerning benefit and service changes.**
 22 ~~(1)~~ (2) IC 27-13-8, except for IC 27-13-8-2(a)(5) concerning
 23 reports.
 24 ~~(2)~~ (3) IC 27-13-10-1 through IC 27-13-10-3 concerning
 25 grievance procedures.
 26 ~~(3)~~ (4) IC 27-13-11 concerning investments.
 27 ~~(4)~~ (5) IC 27-13-15-1(a)(2) through IC 27-13-15-1(a)(3)
 28 concerning gag clauses in contracts.
 29 ~~(5)~~ (6) IC 27-13-21 concerning producers.
 30 ~~(6)~~ (7) IC 27-13-29 concerning statutory construction and
 31 relationship to other laws.
 32 ~~(7)~~ (8) IC 27-13-30 concerning public records.
 33 ~~(8)~~ (9) IC 27-13-31 concerning confidentiality of medical
 34 information and limitation of liability.
 35 ~~(9)~~ (10) IC 27-13-36-5 and IC 27-13-36-6 concerning referrals to
 36 out of network providers and continuation of care.
 37 ~~(10)~~ (11) IC 27-13-40 concerning comparison sheets of services
 38 provided by the limited service health maintenance organization.

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