



February 28, 2003

# SENATE BILL No. 509

DIGEST OF SB 509 (Updated February 26, 2003 5:26 PM - DI 104)

**Citations Affected:** IC 27-1.

**Synopsis:** Mandated health coverage information. Requires an accident and sickness insurer and a health maintenance organization to provide to the department of insurance ("department") certain information related to the implementation of a mandated benefit and requires the department to analyze the information and report the results of the analysis to the legislative council. Allows an accident and sickness insurer and a health maintenance organization to provide to the department certain information related to a mandated benefit proposal and requires the department to analyze the information and report the results of the analysis to the legislative committee considering the proposal.

**Effective:** July 1, 2004.

**Ford**

January 23, 2003, read first time and referred to Committee on Health and Provider Services.  
February 27, 2003, amended, reported favorably — Do Pass.

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SB 509—LS 7745/DI 97+



February 28, 2003

First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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## SENATE BILL No. 509

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

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

- 1 SECTION 1. IC 27-1-3-30 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2004]: **Sec. 30. (a) As used in this section, "accident and sickness  
4 insurance policy" has the meaning set forth in IC 27-8-14.2-1.**  
5 **(b) As used in this section, "health maintenance organization"  
6 has the meaning set forth in IC 27-13-1-19.**  
7 **(c) As used in this section, "mandated benefit" means certain  
8 health coverage or an offering of certain health coverage that is  
9 required under:**  
10 **(1) an accident and sickness insurance policy; or**  
11 **(2) a contract with a health maintenance organization.**  
12 **(d) An insurer that issues an accident and sickness insurance  
13 policy and a health maintenance organization, not later than  
14 March 1 of each year, shall provide to the department in a format  
15 and medium prescribed by the department information related to  
16 the implementation of a mandated benefit, including:**  
17 **(1) specific short term and long term financial costs, cost**

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1 savings, and benefits to the insurer, health maintenance  
2 organization, consumers, or other parties resulting from  
3 implementation of the mandated benefit;

4 (2) other costs and benefits to the insurer, health maintenance  
5 organization, consumers, or other parties resulting from  
6 implementation of the mandated benefit, including cost  
7 savings and health benefits to consumers, and the effect of the  
8 mandated benefit on:

9 (A) premium rates;

10 (B) the number of individuals covered under a policy or  
11 contract; and

12 (C) costs related to other health care services covered  
13 under a policy or contract that may be affected by the  
14 implementation of the mandated benefit;

15 before and after implementation of the mandate; and

16 (3) other information requested by the department.

17 (e) The department shall:

18 (1) analyze the information provided under subsection (d),  
19 including an analysis of:

20 (A) possible reasons for changes in the information with  
21 implementation of a mandated benefit; and

22 (B) other analyses requested by the legislative council; and  
23 (2) not later than June 30 of each year, report the results of  
24 the analysis to the legislative council.

25 (f) Information provided to the department under this section  
26 is confidential. The report to the legislative council under  
27 subsection (e) may not identify an individual insurer or health  
28 maintenance organization.

29 SECTION 2. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE  
30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
31 1, 2004]: Sec. 31. (a) As used in this section, "accident and sickness  
32 insurance policy" has the meaning set forth in IC 27-8-14.2-1.

33 (b) As used in this section, "health maintenance organization"  
34 has the meaning set forth in IC 27-13-1-19.

35 (c) As used in this section, "mandated benefit proposal" means  
36 a bill or resolution pending before the general assembly that, if  
37 enacted, would require certain health coverage or an offering of  
38 certain health coverage under:

39 (1) an accident and sickness insurance policy; or

40 (2) a contract with a health maintenance organization.

41 (d) An insurer that issues an accident and sickness insurance  
42 policy and a health maintenance organization may provide to the

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1 department in a format and medium prescribed by the department  
2 information related to a mandated benefit proposal, including:  
3 (1) specific short term and long term financial costs, cost  
4 savings, and benefits to the insurer, health maintenance  
5 organization, consumers, or other parties resulting from  
6 implementation of the proposed mandated benefit;  
7 (2) other costs and benefits to the insurer, health maintenance  
8 organization, consumers, or other parties resulting from  
9 implementation of the proposed mandated benefit, including  
10 cost savings and health benefits to consumers, and the effect  
11 of the proposed mandated benefit on:  
12 (A) premium rates;  
13 (B) the number of individuals covered under a policy or  
14 contract; and  
15 (C) costs related to other health care services covered  
16 under a policy or contract that may be affected by the  
17 implementation of the proposed mandated benefit;  
18 before and after implementation of the proposed mandated  
19 benefit.  
20 (e) Upon receipt of the information described in subsection (d),  
21 the department shall:  
22 (1) analyze the information; and  
23 (2) report the results of the analysis to the legislative  
24 committee that is considering the mandated benefit proposal.  
25 (f) Information provided to the department under this section  
26 is confidential. The report to the legislative committee under  
27 subsection (e) may not identify an individual insurer or health  
28 maintenance organization.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 509, 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:

Page 1, line 1, delete "IC 2-2.1-4" and insert "IC 27-1-3-30".

Page 1, line 2, delete "CHAPTER" and insert "SECTION".

Page 1, line 3, delete "2003]:" and insert "2004]:".

Page 1, delete line 4.

Page 1, line 5, delete "Sec. 1." and insert "**Sec. 30. (a)**".

Page 1, run in lines 3 through 5.

Page 1, line 5, delete "chapter," and insert "**section,**".

Page 1, delete lines 7 through 17.

Page 2, delete lines 1 through 2.

Page 2, line 3, delete "Sec. 4." and insert "**(b)**".

Page 2, line 3, delete "chapter," and insert "**section,**".

Page 2, line 5, delete "Sec. 5. The" and insert "**(c) As used in this section,**".

Page 2, line 5, delete "mandated" and insert "**mandated benefit means certain**".

Page 2, line 5, delete "evaluation commission is" and insert "**or an offering of certain health coverage that is required under:**

**(1) an accident and sickness insurance policy; or**

**(2) a contract with a health maintenance organization.**".

Page 2, delete lines 6 through 42, begin a new paragraph and insert:

**"(d) An insurer that issues an accident and sickness insurance policy and a health maintenance organization, not later than March 1 of each year, shall provide to the department in a format and medium prescribed by the department information related to the implementation of a mandated benefit, including:**

**(1) specific short term and long term financial costs, cost savings, and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the mandated benefit;**

**(2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the mandated benefit, including cost savings and health benefits to consumers, and the effect of the mandated benefit on:**

**(A) premium rates;**

**(B) the number of individuals covered under a policy or**



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- contract; and
- (C) costs related to other health care services covered under a policy or contract that may be affected by the implementation of the mandated benefit;
- before and after implementation of the mandate; and
- (3) other information requested by the department.
- (e) The department shall:
- (1) analyze the information provided under subsection (d), including an analysis of:
- (A) possible reasons for changes in the information with implementation of a mandated benefit; and
- (B) other analyses requested by the legislative council; and
- (2) not later than June 30 of each year, report the results of the analysis to the legislative council.
- (f) Information provided to the department under this section is confidential. The report to the legislative council under subsection (e) may not identify an individual insurer or health maintenance organization.

SECTION 2. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) As used in this section, "accident and sickness insurance policy" has the meaning set forth in IC 27-8-14.2-1.

(b) As used in this section, "health maintenance organization" has the meaning set forth in IC 27-13-1-19.

(c) As used in this section, "mandated benefit proposal" means a bill or resolution pending before the general assembly that, if enacted, would require certain health coverage or an offering of certain health coverage under:

- (1) an accident and sickness insurance policy; or
- (2) a contract with a health maintenance organization.

(d) An insurer that issues an accident and sickness insurance policy and a health maintenance organization may provide to the department in a format and medium prescribed by the department information related to a mandated benefit proposal, including:

- (1) specific short term and long term financial costs, cost savings, and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit;
- (2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit, including cost savings and health benefits to consumers, and the effect

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**of the proposed mandated benefit on:**

**(A) premium rates;**

**(B) the number of individuals covered under a policy or contract; and**

**(C) costs related to other health care services covered under a policy or contract that may be affected by the implementation of the proposed mandated benefit;**

**before and after implementation of the proposed mandated benefit.**

**(e) Upon receipt of the information described in subsection (d), the department shall:**

**(1) analyze the information; and**

**(2) report the results of the analysis to the legislative committee that is considering the mandated benefit proposal.**

**(f) Information provided to the department under this section is confidential. The report to the legislative committee under subsection (e) may not identify an individual insurer or health maintenance organization."**

Delete pages 3 through 4.

and when so amended that said bill do pass.

(Reference is to SB 509 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

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