



April 5, 2011

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**ENGROSSED**  
**SENATE BILL No. 178**

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DIGEST OF SB 178 (Updated March 31, 2011 3:30 pm - DI 97)

**Citations Affected:** Noncode.

**Synopsis:** Outpatient benefit study. Requires the health finance commission to study possible prohibitions on certain insurer and health maintenance organization activities related to outpatient benefits.

**Effective:** July 1, 2011.

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**Miller, Gard, Becker**

(HOUSE SPONSORS — BROWN T, BROWN C)

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January 5, 2011, read first time and referred to Committee on Health and Provider Services.

February 17, 2011, amended, reported favorably — Do Pass.

February 21, 2011, read second time, amended, ordered engrossed.

February 22, 2011, engrossed. Read third time, passed. Yeas 47, nays 2.

HOUSE ACTION

March 28, 2011, read first time and referred to Committee on Insurance.

April 4, 2011, amended, reported — Do Pass.

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ES 178—LS 6470/DI 97+



April 5, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 178

A BILL FOR AN ACT concerning insurance.

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

- 1 SECTION 1. [EFFECTIVE JULY 1, 2011] (a) As used in this  
2 SECTION, "enrollee" has the meaning set forth in IC 27-13-1-12.  
3 (b) As used in this SECTION, "health maintenance  
4 organization" has the meaning set forth in IC 27-13-1-19. The term  
5 includes a pharmacy benefit manager.  
6 (c) As used in this SECTION, "insured" means an individual  
7 entitled to coverage under a policy of accident and sickness  
8 insurance.  
9 (d) As used in this SECTION, "insurer" means an insurer that  
10 issues a policy of accident and sickness insurance. The term  
11 includes a pharmacy benefit manager.  
12 (e) As used in this SECTION, "policy of accident and sickness  
13 insurance" has the meaning set forth in IC 27-8-5-1.  
14 (f) As used in this SECTION, "subscriber" has the meaning set  
15 forth in IC 27-13-1-32.  
16 (g) As used in this SECTION, "substitution" means a  
17 substitution of a treatment, including a drug, a device, or a

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1 therapy, for the treatment ordered by an insured's or enrollee's  
 2 treating physician.  
 3 (h) The health finance commission established by IC 2-5-23-3  
 4 shall, during the 2011 interim of the general assembly, study the  
 5 following possible prohibitions on insurers and health maintenance  
 6 organizations related to outpatient benefits:  
 7 (1) Requesting a substitution from an insured's or enrollee's  
 8 treating physician.  
 9 (2) Contacting an insured, enrollee, or subscriber concerning  
 10 a substitution.  
 11 (3) Requesting from an insured's or enrollee's treating  
 12 physician a change in the quantity of a covered drug to be  
 13 dispensed.  
 14 (i) In studying the prohibitions described in subsection (h), the  
 15 health finance commission shall consider the following:  
 16 (1) The physician/patient relationship.  
 17 (2) The time and administrative costs related to unsolicited  
 18 requests and contacts from insurers.  
 19 (3) Whether such requests and contacts:  
 20 (A) are beneficial to the insured or enrollee; or  
 21 (B) should be limited or prohibited.  
 22 (j) This SECTION expires December 31, 2011.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 178, 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 8, line 27, after "not" insert ", **more than one (1) time**,".

Page 8, line 31, delete "Limit" and insert "**Request from an insured's treating physician a change in**".

Page 8, line 31, after "drug" insert "**to be**".

Page 8, line 31, delete "dispensed to less than" and insert "**dispensed**".

Page 8, delete lines 32 through 34.

Page 9, line 3, after "not" insert ", **more than one (1) time**,".

Page 9, line 9, delete "Limit" and insert "**Request from an enrollee's treating physician a change in**".

Page 9, line 9, after "drug" insert "**to be**".

Page 9, line 9, delete "dispensed to less than" and insert "**dispensed**".

Page 9, delete lines 10 through 12.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 178 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 5, Nays 4.

SENATE MOTION

Madam President: I move that Senate Bill 178 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning insurance.

Page 1, delete lines 1 through 17.

Delete pages 2 through 7.

Page 8, delete lines 1 through 11.

Page 8, line 12, delete "A NEW CHAPTER TO READ AS FOLLOWS", begin a new paragraph and insert:

"SECTION 1."

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Page 8, delete lines 13 through 14.

Page 8, line 15, delete "Sec. 1.", begin a new line blocked left and insert "1, 2011] (a)".

Page 8, line 15, delete "chapter," and insert "SECTION, "enrollee" has the meaning set forth in IC 27-13-1-12.

(b) As used in this SECTION, "health maintenance organization" has the meaning set forth in IC 27-13-1-19. The term includes a pharmacy benefit manager.

(c) As used in this SECTION,"

Page 8, run in lines 12 through 15.

Page 8, line 18, delete "Sec. 2." and insert "(d)".

Page 8, line 18, delete "chapter," and insert "SECTION,"

Page 8, line 21, delete "Sec. 3." and insert "(e)".

Page 8, line 21, delete "chapter," and insert "SECTION,"

Page 8, line 23, delete "Sec. 4." and insert "(f) As used in this SECTION, "subscriber" has the meaning set forth in IC 27-13-1-32.

(g)".

Page 8, line 23, delete "chapter," and insert "SECTION,"

Page 8, line 25, after "insured's" insert "or enrollee's".

Page 8, delete lines 27 through 28, begin a new paragraph and insert:

"(h) The health finance commission established by IC 2-5-23-3 shall, during the 2011 interim of the general assembly, study the following possible prohibitions on insurers and health maintenance organizations related to outpatient benefits:"

Page 8, line 29, delete "Request" and insert "Requesting".

Page 8, line 29, after "insured's" insert "or enrollee's".

Page 8, line 31, delete "Contact" and insert "Contacting".

Page 8, line 31, after "insured" insert ", enrollee, or subscriber".

Page 8, line 32, delete "Request" and insert "Requesting".

Page 8, line 32, after "insured's" insert "or enrollee's".

Page 8, delete lines 36 through 42, begin a new paragraph and insert:

"(i) In studying the prohibitions described in subsection (h), the health finance commission shall consider the following:

- (1) The physician/patient relationship.
- (2) The time and administrative costs related to unsolicited requests and contacts from insurers.
- (3) Whether such requests and contacts:
  - (A) are beneficial to the insured or enrollee; or
  - (B) should be limited or prohibited.

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**(j) This SECTION expires December 31, 2011."**

Delete page 9.

Renumber all SECTIONS consecutively.

(Reference is to SB 178 as printed February 18, 2011.)

MILLER

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred Senate Bill 178, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 14 through 15.

and when so amended that said bill do pass.

(Reference is to SB 178 as reprinted February 22, 2011.)

LEHMAN, Chair

Committee Vote: yeas 8, nays 0.

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