ENGROSSED SENATE
BILL NO. 874 BY: CAPPS of the SENATE

and

HUDSON of the HOUSE

AN ACT RELATING TO INSURANCE; DEFINING TERMS; REQUIRING INSURER USING SERVICES OF CERTAIN PARTY TO DETERMINE CERTAIN CHARGES TO FURNISH INFORMATION TO HEALTH CARE PROVIDER UPON REQUEST; REQUIRING PARTY TO FURNISH CERTAIN INFORMATION TO HEALTH CARE PROVIDER UPON REQUEST; ALLOWING REASONABLE FEE; REQUIRING INFORMATION INCLUDE CERTAIN PROVISIONS AND BE FURNISHED WITHIN CERTAIN TIME PERIOD; PROHIBITING INSURER FROM USING SERVICES OF PARTY IN NONCOMPLIANCE WITH CERTAIN PROVISIONS; REQUIRING REPORTING OF NONCOMPLIANCE TO INSURANCE COMMISSIONER AND COMPILATION OF LIST OF PARTIES IN NONCOMPLIANCE; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6571 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Health care provider" means any person, firm, corporation or other legal entity that is licensed, certified or otherwise

authorized by the laws of this state to provide health care services, procedures or supplies in the ordinary course of business or practice of a profession; and

2. "Insurer" means any insurance company, not-for-profit hospital service and medical indemnity plan, health insurance service organization, preferred provider organization or other entity offering health insurance policies, contracts or benefits in this state.

B. Any insurer which:

1. Contracts with a party for the determination of average area charges or customary and reasonable charges for health care services, procedures or supplies; and

2. Based on such determination, authorizes payment in an amount which is less than the amount charged by the health care provider for such services, procedures or supplies;

shall, upon the request of a health care provider, furnish the name, mailing address and telephone number of the party making the determination to the health care provider.

C. Upon the request of the health care provider, the party shall furnish, for a reasonable charge, information used to determine the average area charges or customary and reasonable charges for the services, procedures or supplies provided by the health care provider and authorized for payment pursuant to paragraph 2 of subsection B of this section. The information shall include the rationale and documentation of sources used in the determination of the average area charges or customary and reasonable charges for the services, procedures or supplies in question, including names, mailing addresses and telephone numbers of sources if available. Such information shall be furnished to the health care provider no later than ten (10) working days after the request for information by the health care provider.

D. 1. No insurer shall use the services of a party for the determination of average area charges or customary and reasonable charges which is not in compliance with the provisions of this section.

2. Noncompliance shall be reported to the Insurance Commissioner who, upon investigation of the complaint and determination that the party is in noncompliance and that no resolution of the complaint will be made within a reasonable time, shall compile and maintain a list of parties which are not in compliance with the provisions of this section.

SECTION 2. This act shall become effective September 1, 1992.

Passed the Senate the 2d day of March, 1992.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1992.

Speaker of the House of Representatives