

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3290 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Zack Taylor

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 3290

By: Taylor

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to insurance; creating the Oklahoma Right to Shop Act; defining terms; authorizing insurance carriers to create certain program; establishing requirements of program; providing for calculation of incentives; requiring filing with Insurance Department; requiring carriers publish comparable health care services; authorizing exemption requiring health care providers to provide certain cost estimates; directing the Insurance Department to promulgate rules; requiring the Insurance Department to conduct yearly analysis; 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 6060.40 of Title 36, unless there is created a duplication in numbering, reads as follows:

1 This act shall be known and may be cited as the "Oklahoma Right
2 to Shop Act".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 6060.41 of Title 36, unless
5 there is created a duplication in numbering, reads as follows:

6 As used in the Oklahoma Right to Shop Act:

7 1. "Allowed amount" means the contractually agreed-upon amount
8 paid by a carrier to a health care entity participating in the
9 carrier's network;

10 2. "Average" means mean, median or mode;

11 3. "Comparable health care service" means any covered
12 nonemergency health care service or bundle of services. The
13 Insurance Commissioner may limit what is considered a comparable
14 health care service if an insurance carrier can demonstrate allowed
15 amount variation among network providers is less than Fifty Dollars
16 (\$50.00);

17 4. "Health care entity" means a physician, hospital,
18 pharmaceutical company, pharmacist, laboratory or other state-
19 licensed or state-recognized provider of health care services;

20 5. "Insurance carrier" or "carrier" means an insurance company
21 that issues policies of accident and health insurance and is
22 licensed to sell insurance in this state;

23 6. "Shared savings incentive" means a voluntary and optional
24 financial incentive that an insurance carrier may provide to an

1 enrollee for choosing certain health care services under a shared
2 savings incentive program; and

3 7. "Shared savings incentive program" means a voluntary and
4 optional incentive program established by an insurance carrier
5 pursuant to this act.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 6060.42 of Title 36, unless
8 there is created a duplication in numbering, reads as follows:

9 A. An insurance carrier may offer a shared savings incentive
10 program to provide incentives to an enrollee when the enrollee
11 obtains a comparable health care service.

12 B. Incentives may be calculated as a percentage of the
13 difference in allowed amounts to the average, as a flat dollar
14 amount, or by some other reasonable methodology approved by the
15 Insurance Department. The carrier shall provide the incentive as a
16 cash payment to the enrollee or credit toward the enrollee's annual
17 in-network deductible and out-of-pocket limit. Carriers may let
18 enrollees decide which method the enrollee prefers to receive the
19 incentive.

20 C. A carrier that offers a shared savings incentive program
21 shall:

22 1. Establish the program as a component part of the policy or
23 certificate of insurance provided by the insurance carrier and
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1 notify the enrollees and the Insurance Department at least thirty
2 (30) days before program termination;

3 2. File a description of the program on a form prescribed by
4 the Insurance Commissioner. The Insurance Department shall review
5 the filing and determine whether the program complies with this
6 section;

7 3. Notify the enrollee annually and at the time of renewal, and
8 an applicant for insurance at the time of enrollment, of the
9 availability of the shared savings incentive program and the
10 procedure to participate in the program;

11 4. Publish on the carrier's website, easily accessible to
12 enrollees and applicants for insurance, a list of comparable health
13 care services and health care providers and the shared savings
14 incentive amount applicable for each service. A shared savings
15 incentive shall not be less than twenty-five percent (25%) of the
16 savings generated by the enrollee's participation in any shared
17 savings incentive program offered by the insurance carrier. The
18 baseline for the savings calculation shall be the average in-network
19 amount paid for that service in the most recent twelve-month period
20 or some other methodology established by the insurance carrier and
21 approved by the Insurance Department;

22 5. At least quarterly, credit, deposit or make a cash payment
23 to an enrollee of the shared savings incentive amount pursuant to
24 participation in the shared savings incentive program; and

1 6. Submit an annual report to the Insurance Department within
2 ninety (90) days after the close of each plan year. At a minimum,
3 the report shall include the following information:

4 a. the number of enrollees who participated in the
5 program during the plan year and the number of
6 instances of participation,

7 b. the total cost of services provided as a part of the
8 program, and

9 c. the total value of the shared savings incentive
10 payments made to enrollees participating in the
11 program and the values distributed as cash or credit
12 toward an enrollee's annual in-network deductible and
13 out-of-pocket limit.

14 D. An enrollee shall not be required to participate in a shared
15 savings incentive program.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 6060.43 of Title 36, unless
18 there is created a duplication in numbering, reads as follows:

19 A. All health care providers as defined in Section 1-116 of
20 Title 63 of the Oklahoma Statutes participating in a shared savings
21 incentive program shall provide an estimate of charges prior to an
22 admission, procedure or service.

23 B. If a patient or prospective patient is covered by insurance,
24 a health care entity that participates in a carrier's network shall,

1 upon request of a patient or prospective patient, provide within two
2 (2) working days, based on the information available to the health
3 care entity at the time of the request, sufficient information
4 regarding the proposed nonemergency admission, procedure or service
5 for the patient or prospective patient to receive a cost estimate to
6 identify out-of-pocket costs. The cost estimate may be obtained
7 through an applicable toll-free telephone number or website. A
8 health care entity may assist a patient or prospective patient in
9 using a carrier's toll-free number and website.

10 C. If a health care entity is unable to quote a specific amount
11 in advance due to the health care entity's inability to predict the
12 specific treatment or diagnostic code, the health care entity shall
13 disclose what is known for the estimated amount for a proposed
14 nonemergency admission, procedure or service, including the amount
15 for any facility fees required. A health care entity shall disclose
16 the incomplete nature of the estimate and inform the patient or
17 prospective patient of their ability to obtain an updated estimate
18 once additional information is determined.

19 D. Prior to a nonemergency admission, procedure or service, and
20 upon request by a patient or prospective patient, a health care
21 entity outside the patient's or prospective patient's insurer
22 network shall, within two (2) working days, disclose the price that
23 will be charged for the nonemergency admission, procedure or
24 service, including the amount required for any facility fees.

1 E. Health care entities shall post in a visible area
2 notification of the patient's ability, for those with individual or
3 small group health insurance, to obtain a description of the service
4 or the applicable standard medical codes or current procedural
5 terminology codes used by the American Medical Association
6 sufficient to allow an insurance carrier to assist the patient in
7 comparing out-of-pocket and contracted amounts paid for their care
8 to different providers for similar services. The notification shall
9 inform patients of their right to obtain services from different
10 providers regardless of a referral or recommendation from the
11 provider at the health care entity, and that seeing a high-value
12 provider, either their currently referred provider or a different
13 provider, may result in an incentive to the patient if they follow
14 the steps set by their insurance carrier. The notification shall
15 give an outline of the parameters of potential incentives approved
16 in accordance with the Oklahoma Right to Shop Act. It shall also
17 notify the patient that his or her carrier is required to provide
18 enrollees an estimate of out-of-pocket costs and contracted amounts
19 paid for the enrollee's care to different providers for similar
20 services via a toll-free telephone number and health care price
21 transparency tool. A health care entity may provide additional
22 information in any form to patients that inform them of carrier-
23 specific price transparency tools or toll-free phone numbers.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6060.44 of Title 36, unless
3 there is created a duplication in numbering, reads as follows:

4 The Insurance Department shall promulgate necessary rules for
5 the implementation of the Oklahoma Right to Shop Act.

6 SECTION 6. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 6060.45 of Title 36, unless
8 there is created a duplication in numbering, reads as follows:

9 The Insurance Department shall conduct an analysis no later than
10 November 1, 2021, of the cost-effectiveness of implementing an
11 incentive-based program for current enrollees. Any program found to
12 be cost-effective shall be implemented as part of the next open
13 enrollment. The Department shall communicate the rationale for its
14 decision to relevant legislative committees in writing.

15 SECTION 7. This act shall become effective November 1, 2020.

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