

An Act

ENROLLED HOUSE
BILL NO. 1157

By: Worthen, Marti and Roberts
(Sean) of the House

and

Montgomery and Bullard of
the Senate

An Act relating to insurance; defining terms; prohibiting certain restrictions on method of payment to health care providers; requiring certain notification; prohibiting certain additional charges; authorizing fees in certain circumstances; prohibiting certain contracts, clauses or waivers; providing for enforcement by the Insurance Commissioner; providing for codification; and providing an effective date.

SUBJECT: Insurance

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 1219.6 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Health maintenance organization" means an entity that is organized for the purpose of providing or arranging health care, which has been granted a certificate of authority by the Insurance Commissioner as a health maintenance organization pursuant to the Health Maintenance Organization Act of 2003;

2. "Credit card payment" means a type of electronic funds transfer in which a health insurance plan or health insurer or its contracted vendor issues a single-use series of numbers associated

with the payment of health care services performed by a health care provider and chargeable to a predetermined dollar amount, whereby the health care provider is responsible for processing the payment by a credit card terminal or Internet portal. Such term shall include virtual or online credit card payments, whereby no physical credit card is presented to the health care provider and the single-use credit card expires upon payment processing;

3. "Electronic funds transfer payment" means a payment by any method of electronic funds transfer other than through the Automated Clearing House Network (ACH), as codified in 45 CFR Sections 162.1601 and 162.1602;

4. "Health care provider" means any physician, dentist, pharmacist, optometrist, psychologist, registered optician, licensed professional counselor, physical therapist, chiropractor, hospital or other entity or person that is licensed or otherwise authorized in this state to furnish health care services;

5. "Health care provider agent" means a person or entity that contracts with a health care provider establishing an agency relationship to process bills for services provided by the health care provider under the terms and conditions of a contract between the agent and health care provider. Such contracts may permit the agent to submit bills, request reconsideration and receive reimbursement;

6. "Health care services" means the examination or treatment of persons for the prevention of illness or the correction or treatment of any physical or mental condition resulting from illness, injury or other human physical problem and includes, but is not limited to:

- a. hospital services which include the general and usual services and care, supplies and equipment furnished by hospitals,
- b. medical services which include the general and usual services and care rendered and administered by doctors of medicine, doctors of dental surgery and doctors of podiatry, and
- c. other health care services which include appliances and supplies; nursing care by a registered nurse or a licensed practical nurse; care furnished by such other licensed practitioners; institutional services

including the general and usual care, services, supplies and equipment furnished by health care institutions and agencies or entities other than hospitals; physiotherapy; ambulance services; drugs and medications; therapeutic services and equipment including oxygen and the rental of oxygen equipment; hospital beds; iron lungs; orthopedic services and appliances including wheelchairs, trusses, braces, crutches and prosthetic devices including artificial limbs and eyes; and any other appliance, supply or service related to health care;

7. "Health insurance plan" means any hospital or medical insurance policy or certificate; qualified higher deductible health plan; health maintenance organization subscriber contract; contract providing benefits for dental care whether such contract is pursuant to a medical insurance policy or certificate; stand-alone dental plan, health maintenance provider contract or managed health care plan; and

8. "Health insurer" means any entity or person that issues health insurance plans, as defined in this section.

B. Any health insurance plan issued, amended or renewed on or after January 1, 2020, between a health insurer or its contracted vendor or a health maintenance organization and a health care provider for the provision of health care services to a plan enrollee shall not contain restrictions on methods of payment from the health insurer or its vendor or the health maintenance organization to the health care provider in which the only acceptable payment method is a credit card payment.

C. If initiating or changing payments to a health care provider using electronic funds transfer payments, including virtual credit card payments, a health insurance plan, health insurer or its contracted vendor or health maintenance organization shall:

1. Notify the health care provider if any fees are associated with a particular payment method; and

2. Advise the provider of the available methods of payment and provide clear instructions to the health care provider as to how to select an alternative payment method.

D. A health insurance plan, health insurer or its contracted vendor or health maintenance organization that initiates or changes payments to a health care provider through the Automated Clearing House Network, as codified in 45 CFR Sections 162.1601 and 162.1602, shall not charge a fee solely to transmit the payment to a health care provider unless the health care provider has consented to the fee. A health care provider agent may charge reasonable fees when transmitting an Automated Clearing House Network payment related to transaction management, data management, portal services and other value-added services in addition to the bank transmittal.

E. The provisions of this section shall not be waived by contract, and any contractual clause in conflict with the provisions of this section or that purport to waive any requirements of this section are void.

F. Violations of this section shall be subject to enforcement by the Insurance Commissioner.

SECTION 2. This act shall become effective November 1, 2019.

Passed the House of Representatives the 8th day of May, 2019.

Presiding Officer of the House
of Representatives

Passed the Senate the 17th day of April, 2019.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____