Bill Summary
2nd Session of the 58th Legislature

Bill No.:	**SB 1813**
Version:	**INT**
Request No.:	**3043**
Author:	**Sen. Pugh**
Date:	**01/28/2022**

Bill Analysis

SB 1813 provides that if the Attorney General receives a referral from an appropriate regulatory agency indicating that an individual or health benefit plan issuer has exhibited a pattern of intentionally violating a law that prohibits the individual or entity from billing an enrollee in an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan or that imposes a requirement related to that prohibition, the Attorney General may bring a civil action in the name of the state to enjoin the individual or entity from the violation. The measure authorizes the Attorney General to recover reasonable attorney fees, costs, and expenses, including court costs and witness fees, if the Attorney General prevails in a case. The measure also authorizes licensing boards and agencies to take disciplinary action against violators. The Insurance Department may take disciplinary action against a health benefit plan issuer or administrator if the issuer or administrator violates a law requiring the issuer or administrator to provide notice of a balance billing prohibition or make a related disclosure.

The measure requires issuers of health benefit plans to reimburse care from out-of-network providers in an emergency as defined in the measure. The issuer must reimburse the costs within 13 days if notified electronically and 45 days if notified by nonelectronic means. Any out-of-network provider or person asserting a claim as an agent or assignee of the provider may not bill an insured in, an amount greater than an applicable copayment, coinsurance, and deductible under the insured's exclusive provider benefit plan. Insurers and administrators must explain notify of the benefits provided to the insured and the physician or health care provider in connection with a medical care or health care service or supply provided by an out-of-network provider in a notification sent to the insured. The measure provides that if an insured person cannot reach the preferred provider, the insured shall pay at the usual and customary rate or at an agreed rate and at the preferred level of benefits until the insured can reasonably be expected to transfer to a preferred provider the costs associated with the procedures outlined in the measure. The insured must reimburse the provider in certain circumstances within 13 days if notified electronically and 45 days if notified by nonelectronic means.

The measure directs the Insurance Department, State Board of Medical Licensure and Supervision, and State Board of Osteopathic Examiners to promulgate rules to implement the provisions of this measure. The Insurance Department is also directed to select an organization that shall maintain a benchmarking database. The database must be able to calculate health related costs according to the geozip of an area. The Department is also required to establish a mediation program to resolve disputes over out-of-network provider charges. Persons appointed as mediators must have completed at least 40 classroom hours of training in dispute resolution

techniques in a course conducted by an alternative dispute resolution organization or other dispute resolution organization approved by the Department. Persons may not act as mediators if the person has been employed by, consulted for, or otherwise had a business relationship with a health benefit plan issuer or administrator or a physician, health care practitioner, or other health care provider during the 3 years preceding the mediation. The mediator shall provide a report within 45 days of the conclusion of the mediation talks to the Insurance Department, State Board of Medical Licensure and Supervision, and State Board of Osteopathic Examiners. Parties to mediation talks that did not reach an agreement may not bring a civil action before the conclusion of the mediation process but may bring a civil action 45 days after the report is presented. The measure also provides a process the parties may select an arbitrator.

Prepared by: Kalen Taylor