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## FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 1/26/05 HB \_\_\_\_\_

SHORT TITLE Health Insurance Claim to Providers SB 193

ANALYST Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

Relates to SB 371

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 193 creates a new section in the insurance code under unfair trade practices. This bill requires that insurers honor the assignment of health insurance claims from their insured's to the provider of the medical services. Contracts issued after the effective date could not restrict the insured's right to assign such claims.

#### Significant Issues

Some insurers who operate through preferred provider arrangements or network providers refuse to honor assignments of the insured's claim to a non-network provider. Although the provider can send the statement for services rendered to the insurer they must collect directly from their insured patient. This can create collection problems unless the provider collects payment at time of service. This bill would eliminate this practice by mandating that assignments be accepted.

**FISCAL IMPLICATIONS**

The bill will result in increased rate and form filings with the Insurance Division. The PRC believes the fiscal impact will be minimal and that it can be handled with existing personnel..

**ADMINISTRATIVE IMPLICATIONS**

The bill will result in increased rate and form filings with the Insurance Division. The PRC believes the fiscal impact will be minimal and that it can be handled with existing resources.

**RELATIONSHIP**

Relates to SB 371, Health & Dental Insurance Claim Assignments

**DW/lg**