

HOUSE BILL No. 1335

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-21-5.5.

Synopsis: Health care costs. Requires a hospital or ambulatory outpatient surgical center to provide each patient, patient's guardian, or patient's health care representative with a good faith estimate (estimate) of all charges and fees associated with certain medical procedures and services. Requires an estimate to be provided to a patient upon: (1) the patient's discharge from the hospital or ambulatory outpatient surgical center; or (2) the conclusion of a medical examination or procedure. Specifies that an estimate is not a legally binding contract or estimate concerning the: (1) allowable; (2) total; or (3) final; cost for a medical examination, procedure, or other service. Requires a revised estimate to be provided not later than 30 days after the date specified on an original estimate. Prohibits a hospital or ambulatory outpatient surgical center from charging a fee for the service of providing an estimate to a patient. Provides that a contract or contract provision may not prohibit a hospital or ambulatory outpatient surgical center from providing an estimate to a patient when required. Defines certain terms.

Effective: July 1, 2020.

Morris

January 14, 2020, read first time and referred to Committee on Public Health.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1335

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-21-5.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]:
4 **Chapter 5.5. Good Faith Estimate of Billing**
5 **Sec. 1. As used in this chapter, "covered individual" means an**
6 **individual who is entitled to be provided health care services**
7 **according to a health carrier's network plan.**
8 **Sec. 2. (a) As used in this chapter, "health carrier" means an**
9 **entity:**
10 **(1) that is subject to IC 27 and the administrative rules**
11 **adopted under IC 27;**
12 **(2) that enters into a contract to:**
13 **(A) provide;**
14 **(B) deliver;**
15 **(C) arrange for; or**
16 **(D) pay for or reimburse any of the costs of;**
17 **health care services.**



1 (b) The term includes the following:

2 (1) An insurer, as defined in IC 27-1-2-3, that issues a policy
3 of accident and sickness insurance, as defined in
4 IC 27-8-5-1(a).

5 (2) A health maintenance organization, as defined by
6 IC 27-13-1-19.

7 (3) An administrator (as defined in IC 27-1-25-1(a)) that is
8 licensed under IC 27-1-25.

9 (4) Any other entity that provides a plan of health insurance,
10 health benefits, or health care services.

11 **Sec. 3.** A hospital or ambulatory outpatient surgical center shall
12 provide a patient or the patient's guardian, and the patient's health
13 care representative, if applicable, with a good faith estimate of the
14 fees and charges described in section 4 of this chapter at time the
15 patient is discharged from the hospital or ambulatory outpatient
16 surgical center.

17 **Sec. 4.** A hospital or ambulatory outpatient surgical center shall
18 provide a patient or the patient's guardian, and the patient's health
19 care representative, if applicable, with a good faith estimate of the
20 following fees and costs for each medical examination, procedure,
21 or other medical service provided to a patient:

22 (1) If the patient is a covered individual:

23 (A) the total reimbursement amount the hospital or
24 ambulatory outpatient surgical center has agreed to accept
25 from the patient's health carrier for each medical
26 examination, procedure, device, or other medical service
27 provided to the patient; and

28 (B) if the patient's health carrier does not provide complete
29 reimbursement to the hospital or ambulatory outpatient
30 surgical center, the patient's estimated out-of-pocket
31 expense.

32 (2) If the patient is not a covered individual, the total
33 reimbursement amount for each medical examination,
34 procedure, or other medical service provided to the patient.

35 (3) Any other fee or charge that may assessed in addition to
36 the costs specified in subdivision (1) or (2).

37 **Sec. 5.** A good faith estimate provided to a patient or the
38 patient's guardian, and the patient's health care representative, if
39 applicable, under section 3 of this chapter is not a legally binding
40 contract or estimate for the purpose of determining the:

41 (1) allowable;

42 (2) total; or



1 **(3) final;**
2 **cost for any medical examination, procedure, or other medical**
3 **service provided to a patient.**

4 **Sec. 6. If additional:**

5 **(1) costs; or**

6 **(2) negotiations with a health carrier;**

7 **are needed in order to provide a patient or the patient's guardian,**
8 **and the patient's health care representative, if applicable, with a**
9 **complete good faith estimate described under section 3 of this**
10 **chapter, the hospital or ambulatory outpatient surgical center shall**
11 **provide a patient or the patient's guardian, and the patient's health**
12 **care representative, if applicable, with a revised good faith**
13 **estimate not later than thirty (30) days after the date specified on**
14 **the original good faith estimate previously provided under section**
15 **3 of this chapter.**

16 **Sec. 7. A hospital or ambulatory outpatient surgical provider**
17 **may not charge a fee for the service of providing a good faith**
18 **estimate required under this section 3 of this chapter to a patient**
19 **or the patient's guardian, and the patient's health care**
20 **representative, if applicable.**

21 **Sec. 8. Notwithstanding any other law or provision, no contract**
22 **or contract provision between a hospital or ambulatory outpatient**
23 **surgical center and a health carrier may prohibit a hospital or**
24 **ambulatory surgical center from providing a patient or a patient's**
25 **guardian, and the patient's health care representative, if**
26 **applicable, with the good faith estimate described in section 3 of**
27 **this chapter.**

