

Senate Bill 366

Sponsored by Senator BATES (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires insurers to pay indemnities under health insurance policy directly to providers of health services.

A BILL FOR AN ACT

1
2 Relating to payments by insurers to providers; creating new provisions; and amending ORS 743.531,
3 743A.014, 743A.024 and 743A.048.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. Except as provided in ORS 743.543 and 743.550, an insurer shall pay indem-**
7 **nities for the cost of hospital, nursing, medical or surgical services pursuant to a group**
8 **health insurance policy to the provider of the services. The amount of any payment may not**
9 **exceed the amount of the benefit provided by the policy with respect to the service and may**
10 **not exceed the charge billed by the provider.**

11 **SECTION 3. ORS 743.531 is amended to read:**

12 743.531. [(1) *A group health insurance policy may on request by the group policyholder provide that*
13 *all or any portion of any indemnities provided by such policy on account of hospital, nursing, medical*
14 *or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering*
15 *such services. However, the amount of any such payment shall not exceed the amount of benefit pro-*
16 *vided by the policy with respect to the service or billing of the provider of aid. The amount of such*
17 *payments pursuant to one or more assignments shall not exceed the amount of expenses incurred on*
18 *account of such hospitalization or medical or surgical aid.*]

19 [(2) *Nothing in this section is intended to authorize an insurer to:*]

20 [(a) *Furnish or provide directly services of hospitals or physicians and surgeons; or*]

21 [(b) *Direct, participate in or control the selection of the specific hospital or physician and surgeon*
22 *from whom the insured secures services or who exercises medical or dental professional judgment.*]

23 [(3)] (1) [Nothing in subsection (2) of this section prevents an insurer from negotiating and
24 entering] **An insurer may negotiate and enter** into contracts for alternative rates of payment with
25 providers **to provide services covered by a group health insurance policy** and [offering] **may**
26 **offer** the benefit of such alternative rates to insureds who select such providers. An insurer may
27 utilize such contracts by offering a choice of plans at the time an insured enrolls, one of which
28 provides benefits only for services by members of a particular provider organization with whom the
29 insurer has an agreement. If an insured chooses such a plan, benefits are payable only for services
30 rendered by a member of that provider organization, unless such services were requested by a
31 member of such organization or are rendered as the result of an emergency.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 [(4)] (2) [*Payment so made*] **Benefits paid by an insurer to a provider under subsection (1)**
 2 **of this section** shall discharge the insurer's obligation with respect to the amount of insurance so
 3 paid.

4 [(5)] (3) Insurers shall provide group policyholders with a current roster of institutional and
 5 professional providers under contract to provide services at alternative rates under their group
 6 policy and shall also make such lists available for public inspection during regular business hours
 7 at the insurer's principal office within this state.

8 **SECTION 4.** ORS 743A.014 is amended to read:

9 743A.014. Any insurance policy issued or issued for delivery in this state that provides coverage
 10 for ambulance care and transportation shall provide that payments will be made [*jointly*]:

11 (1) To the provider of the ambulance care and transportation and to the insured, unless the
 12 policy provides for direct payment to the provider.

13 (2) **Except as provided in ORS 743.543 and 743.550, if the policy is a group health insurance**
 14 **policy, directly to the provider of the ambulance care and transportation.**

15 **SECTION 5.** ORS 743A.024 is amended to read:

16 743A.024. Whenever any individual or group health insurance policy or blanket health insurance
 17 policy described in ORS 743.534 (3) provides for payment or reimbursement for any service within
 18 the lawful scope of service of a clinical social worker licensed under ORS 675.530:

19 (1) The insured under the policy shall be entitled to the services of a clinical social worker li-
 20 censed under ORS 675.530, upon referral by a physician or psychologist.

21 (2) [*The insured under the policy shall be entitled to have payment or reimbursement made to the*
 22 *insured or on behalf of the insured for the services performed.*] The payment or reimbursement shall
 23 be in accordance with the benefits provided in the policy and shall be computed in the same manner
 24 whether performed by a physician, by a psychologist or by a clinical social worker, according to the
 25 customary and usual fee of clinical social workers in the area served. **Except as provided in ORS**
 26 **743.543 and 743.550, if the policy is a group health insurance policy, the insurer shall pay or**
 27 **reimburse the clinical social worker directly.**

28 **SECTION 6.** ORS 743A.048 is amended to read:

29 743A.048. Whenever any provision of any individual or group health insurance policy or contract
 30 provides for payment or reimbursement for any service which is within the lawful scope of a psy-
 31 chologist licensed under ORS 675.010 to 675.150:

32 (1) The insured under such policy or contract shall be free to select, and shall have direct access
 33 to, a psychologist licensed under ORS 675.010 to 675.150, without supervision or referral by a phy-
 34 sician or another health practitioner, and wherever such psychologist is authorized to practice.

35 (2) [*The insured under such policy or contract shall be entitled to have payment or reimbursement*
 36 *made to the insured or on the insured's behalf for the services performed.*] Such payment or re-
 37 imbursement shall be in accordance with the benefits provided in the policy and shall be the same
 38 whether performed by a physician or a psychologist licensed under ORS 675.010 to 675.150. **Except**
 39 **as provided in ORS 743.543 and 743.550, if the policy is a group health insurance policy, the**
 40 **insurer shall pay or reimburse the psychologist directly.**

41 **SECTION 7.** Sections 1 and 2 of this 2013 Act and the amendments to ORS 743.531,
 42 743A.014, 743A.024 and 743A.048 by sections 3 to 6 of this 2013 Act apply to indemnities paid
 43 on claims presented on or after the effective date of this 2013 Act.