

**PRELIMINARY** STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Senate Health Care

**REVENUE:** No revenue impact

**FISCAL:** No fiscal impact

**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Zena Rockowitz, Administrator

**Meeting Dates:** 4/8

**WHAT THE MEASURE DOES:** Requires provider that bills insurer for covered hospital, nursing, medical or surgical services is reimbursed by direct payment to provider. Eliminates that the insurer has option to directly pay hospital or person rendering services. Applies to reimbursements on claims on or after July 1, 2016.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT: -1 Amendment:** Applies date of January 1, 2017.-**2 Amendment:** Specifies application to health benefit plan and Medicare supplemental insurance.

**BACKGROUND:** In the cases where insurance companies do not have contracts with hospitals, insurers will send reimbursement payments for provided services directly to patients and not to the provider or hospital that delivered the health care services. Hospital administrative staff will spend time trying to retrieve the payment and often do not receive it.