

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1816 - SB 1787

March 7, 2016

**SUMMARY OF ORIGINAL BILL:** Limits a current continuity of care mandate for insurers and health care providers when a provider who is a member of a managed health insurer's provider network terminates its agreement with an insurer or when the managed health insurer terminates the provider without cause.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (013341):** Deletes language in the original bill such that the bill as amended establishes that a provider or inpatient facility is still bound by terms, conditions and reimbursement rates after the provider, who is a member of a managed health insurer's provider network, terminates its contract with an insurer or after the managed health insurer has terminated the provider without cause.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Currently, whenever a provider who is a member of a managed health insurer's provider network terminates its agreement with an insurer or the managed health insurer terminates the provider without cause, the provider and insurer are required to allow the subscriber or enrollee to: continue to receive covered benefits from the treating provider when under active treatment for a particular injury or sickness for a period of 120 days from the date of notice of termination; continue care with a treating provider in the second trimester of pregnancy until completion of postpartum care; and continue receiving treatment at an inpatient facility until being discharged.

**HB 1816 - SB 1787**

- Based on information provided by TennCare, this proposed legislation will have no impact to any HCFA plan because reimbursement rates are limited to the amount pursuant to contract which is funded by capitation rates.
- According to the Division of Benefits Administration, this legislation will have no effect on any State Employee, Local Education, or Local Government plan administered by the Division as the Division does not currently contract with managed health insurance issuers, to which this legislation applies.
- This legislation will have no significant impact on state or local government.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

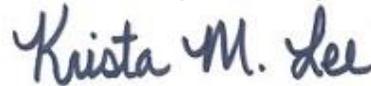
**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- This proposed legislation will require a health care provider or inpatient facility to provide health care services that such provider or facility, in the absence of this legislation, would have discretion as to whether to provide such services.
- It is unknown whether any such provider or inpatient facility would have elected to not provide certain services; however, it is assumed that the insured patient, as necessary, would have found a provider in the managed health insurer's provider network for the appropriate health care sought.
- This legislation is not likely to result in any significant fiscal impact to insurers or health care providers in this state.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb