

HB 1013 -- FAIR INDIVIDUAL HEALTH PRICING ACT

SPONSOR: Eggleston

This bill establishes the Fair Individual Health Pricing Act. The bill specifies that the highest rate that a health care provider can accept as payment in full for health care services from an uninsured individual must be no greater than the lowest rate that the provider accepts from a health carrier or Medicare as payment in full for the same or similar health care services. The Department of Health and Senior Services must implement procedures to randomly audit a select number of the patient billing files of a select number of health care providers to determine compliance with the provisions of these provisions. The department must determine the number of health care providers and the number of patient billing files to audit. Any audit authorized under these provisions must be conducted at the same time as the health care provider's annual state licensure inspection. If the department determines that a health care provider has violated these provisions, the health care provider must reimburse the individual who received health care services for any amount the individual was overcharged and the following must apply:

(1) For the first violation, the health care provider must receive a warning from the department;

(2) For a second violation in a 12-month period, the health care provider must be assessed a fine of \$100 or 10% of the amount the individual who received health care services was overcharged, whichever is greater;

(3) For a third violation in a 12-month period, the health care provider must be assessed a fine of \$200 or 20% of the amount the individual who received health care services was overcharged, whichever is greater;

(4) For a fourth violation in a 12-month period, the health care provider must be assessed a fine of \$300 or 30% of the amount the individual who received health care services was overcharged, whichever is greater; and

(5) For a fifth or subsequent violation in a 12-month period, the health care provider must be assessed a fine of \$500 or 50% of the amount the individual who received health care services was overcharged, whichever is greater.

The bill requires all health carriers to offer the same premium rates to individuals purchasing health insurance on the private market as are offered to individuals purchasing insurance through

their employer as part of a group health insurance policy. All health carriers must file the premium rates for every health plan variation offered including all group health plans and plans offered to individuals with the Department of Insurance, Financial Institutions and Professional Registration. All health carriers must publish the premium rates on the health carrier's website. The department must publish all premium rates filed with the department on the department's website. The department must implement procedures for receiving and investigating complaints regarding these provisions. The department must investigate each complaint received. If the department determines that a health carrier has overcharged an individual in violation of these provisions, the health carrier must reimburse the individual for any amount the individual was overcharged and the following must apply:

- (1) For the first violation, the health carrier must receive a warning from the department;
- (2) For a second violation in a 12-month period, the health carrier must be assessed a fine of \$500 or 20% of the amount the individual was overcharged, whichever is greater;
- (3) For a third violation in a 12-month period, the health carrier must be assessed a fine of \$600 or 30% of the amount the individual was overcharged, whichever is greater;
- (4) For a fourth violation in a 12-month period, the health carrier must be assessed a fine of \$700 or 40% of the amount the individual was overcharged, whichever is greater; and
- (5) For a fifth or subsequent violation in a 12-month period, the health carrier must be assessed a fine of \$1,000 or 50% of the amount the individual was overcharged, whichever is greater.