

State Corporation Commission

2018 Fiscal Impact Statement

1. Bill Number: SB639

House of Origin	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed	
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Dunnavant

3. Committee: Commerce and Labor

4. Title: Health care shared savings; incentive programs.

5. Summary: Requires health carriers to establish a comparable health care service incentive program under which savings are shared with a covered person who elects to receive a covered health care service from a lower-cost provider. Incentive payments shall be at least 50 percent of the saved cost compared to the average cost. Incentive payments are not required for savings of \$25 or less. Programs are required to be approved by the Commissioner of Insurance. The measure also requires health carriers to make available an interactive mechanism on their website that enables a covered person to compare costs between providers in-network, calculate estimated out-of-pocket costs, and obtain quality data for those providers, to the extent available. The measure authorizes covered persons to obtain health care services from out-of-network providers if their costs are below the average of in-network providers. The measure requires health care facilities and practitioners to provide a covered person an estimate of charges prior to an admission, procedure, or service. All health care providers are required to post in a visible area notification of the patient's ability to obtain information in order to get an estimate of out-of-pocket costs from his health carrier and to compare providers.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: The costs to carry out the provisions of Senate Bill 639 are not available. See Item 8 below.

8. Fiscal Implications: The State Corporation Commission recognizes that additional resources will be necessary to perform the functions of the new Comparable Health Care Service Incentive Program. Our preliminary review indicates that the Commission could absorb the cost of these additional resources.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: The State Corporation Bureau of Insurance suggests striking the term "Commissioner" and inserting the term "Commission" on lines 106, 119, 138, 140-142 and 150.

11. Other comments: House Bill 1001 is identical to Senate Bill 639.

Date: 01/21/18/V. Tompkins