

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1664

PRINTER NO. 3287

AMOUNT

No Fiscal Impact

FUND

Insurance Regulation and Oversight Fund

DATE INTRODUCED

September 12, 2023

PRIME SPONSOR

Representative Scott

DESCRIPTION

House Bill 1664 amends Title 40 (Insurance) to create a new chapter requiring insurance companies or vendors they contract with to provide healthcare providers with multiple options on receiving claim payments.

The bill prohibits an insurance company from requiring a healthcare provider, including a dentist, to use a virtual credit card.

The bill requires insurance companies and their contracted vendors to do the following:

- Notify healthcare providers of each available payment method by which they may be reimbursed for a claim;
- Notify the healthcare provider that fees maybe applied for electronic payments along with how the healthcare provider can obtain information on the amount of the fee;
- Provide clear instructions to the healthcare provider on how to choose a method by which they may receive payment for a claim; and
- Not assess a fee solely to transmit the claim payment unless the healthcare provider has consented to pay the fee.

The bill authorizes the insurance department to levy fines which range from \$5,000 to \$10,000 for willful violations. These fines are in addition to current state laws governing claim payments and insurance practices and may not exceed \$500,000 for an insurance company or \$100,000 for any other person during a 12-month period.

House Bill 1664 authorizes an insurance company to provide insurance notices or documents electronically. The new provision states that transmission of electronic notices is still governed by state and federal laws regarding transmission of notices or other insurance documents including, but not limited to timing, privacy and confidentiality.

Prior to sending a covered individual an electronic notice or document, an insurer must receive consent from the individual except under 4903(d) or if an individual had previously consented to receive documents electronically prior to enactment of this

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legislation. Before sending the notice or document under 4903(c), the insurer must provide the individual with an explanation of the technology requirements to receive the notice electronically and the types of documents they may receive electronically, along with right of the individual to do the following:

- Opt-out of receiving insurance documents electronically at any time;
- Receive a paper copy of a particular notice or insurance document; and
- Protect confidentiality of private healthcare information delivered electronically and the process by which the individual can take to protect personal health data.

Under section 4903 (d), an employer who sponsors the health benefit plan may enroll its employees for electronic notices. The ability for an employer to enroll employees under the subsection is contingent on whether employers can reasonably confirm that while an employee is working for the organization, they are able to receive electronic documents from an insurance company. Additionally, the employer must inform the employee of their right to opt-out of receiving their insurance documents electronically at any time of their choosing.

The bill requires insurance companies to notify covered individuals of any technology change that might impair or prevent a covered individual from receiving their documents electronically. Should an insurance company have reason to believe an individual is no longer receiving documents electronically, they must provide paper copies of all insurance documents to the covered individual's address on file.

The bill provides civil liability that prevents suit against an insurer if the insurer has reason to believe an individual can receive documents electronically or from a suit based on electronic transmission of insurance documents.

This act shall take effect in 60 days.

FISCAL IMPACT:

Enactment of House Bill 1664 will have no fiscal impact on Commonwealth funds.