

1 **SENATE FLOOR VERSION**

2 April 8, 2019

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1157

By: Worthen, Marti and Roberts
(Sean) of the House

6 and

7 Montgomery and Bullard of
8 the Senate

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to insurance; defining terms;
12 prohibiting certain restrictions on method of payment
13 to health care providers; requiring certain
14 notification; prohibiting certain additional charges;
15 authorizing fees in certain circumstances;
16 prohibiting certain contracts, clauses or waivers;
17 providing for enforcement by the Insurance
18 Commissioner; providing for codification; and
19 providing an effective date.

20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1219.6 of Title 36, unless there
23 is created a duplication in numbering, reads as follows:

24 A. As used in this section:

1. "Health maintenance organization" means an entity that is
organized for the purpose of providing or arranging health care,

1 which has been granted a certificate of authority by the Insurance
2 Commissioner as a health maintenance organization pursuant to the
3 Health Maintenance Organization Act of 2003;

4 2. "Credit card payment" means a type of electronic funds
5 transfer in which a health insurance plan or health insurer or its
6 contracted vendor issues a single-use series of numbers associated
7 with the payment of health care services performed by a health care
8 provider and chargeable to a predetermined dollar amount, whereby
9 the health care provider is responsible for processing the payment
10 by a credit card terminal or Internet portal. Such term shall
11 include virtual or online credit card payments, whereby no physical
12 credit card is presented to the health care provider and the single-
13 use credit card expires upon payment processing;

14 3. "Electronic funds transfer payment" means a payment by any
15 method of electronic funds transfer other than through the Automated
16 Clearing House Network (ACH), as codified in 45 CFR Sections
17 162.1601 and 162.1602;

18 4. "Health care provider" means any physician, dentist,
19 pharmacist, optometrist, psychologist, registered optician, licensed
20 professional counselor, physical therapist, chiropractor, hospital
21 or other entity or person that is licensed or otherwise authorized
22 in this state to furnish health care services;

23 5. "Health care provider agent" means a person or entity that
24 contracts with a health care provider establishing an agency

1 relationship to process bills for services provided by the health
2 care provider under the terms and conditions of a contract between
3 the agent and health care provider. Such contracts may permit the
4 agent to submit bills, request reconsideration and receive
5 reimbursement;

6 6. "Health care services" means the examination or treatment of
7 persons for the prevention of illness or the correction or treatment
8 of any physical or mental condition resulting from illness, injury
9 or other human physical problem and includes, but is not limited to:

10 a. hospital services which include the general and usual
11 services and care, supplies and equipment furnished by
12 hospitals,

13 b. medical services which include the general and usual
14 services and care rendered and administered by doctors
15 of medicine, doctors of dental surgery and doctors of
16 podiatry, and

17 c. other health care services which include appliances
18 and supplies; nursing care by a registered nurse or a
19 licensed practical nurse; care furnished by such other
20 licensed practitioners; institutional services
21 including the general and usual care, services,
22 supplies and equipment furnished by health care
23 institutions and agencies or entities other than
24 hospitals; physiotherapy; ambulance services; drugs

1 and medications; therapeutic services and equipment
2 including oxygen and the rental of oxygen equipment;
3 hospital beds; iron lungs; orthopedic services and
4 appliances including wheelchairs, trusses, braces,
5 crutches and prosthetic devices including artificial
6 limbs and eyes; and any other appliance, supply or
7 service related to health care;

8 7. "Health insurance plan" means any hospital or medical
9 insurance policy or certificate; qualified higher deductible health
10 plan; health maintenance organization subscriber contract; contract
11 providing benefits for dental care whether such contract is pursuant
12 to a medical insurance policy or certificate; stand-alone dental
13 plan, health maintenance provider contract or managed health care
14 plan; and

15 8. "Health insurer" means any entity or person that issues
16 health insurance plans, as defined in this section.

17 B. Any health insurance plan issued, amended or renewed on or
18 after January 1, 2020, between a health insurer or its contracted
19 vendor or a health maintenance organization and a health care
20 provider for the provision of health care services to a plan
21 enrollee shall not contain restrictions on methods of payment from
22 the health insurer or its vendor or the health maintenance
23 organization to the health care provider in which the only
24 acceptable payment method is a credit card payment.

1 C. If initiating or changing payments to a health care provider
2 using electronic funds transfer payments, including virtual credit
3 card payments, a health insurance plan, health insurer or its
4 contracted vendor or health maintenance organization shall:

5 1. Notify the health care provider if any fees are associated
6 with a particular payment method; and

7 2. Advise the provider of the available methods of payment and
8 provide clear instructions to the health care provider as to how to
9 select an alternative payment method.

10 D. A health insurance plan, health insurer or its contracted
11 vendor or health maintenance organization that initiates or changes
12 payments to a health care provider through the Automated Clearing
13 House Network, as codified in 45 CFR Sections 162.1601 and 162.1602,
14 shall not charge a fee solely to transmit the payment to a health
15 care provider unless the health care provider has consented to the
16 fee. A health care provider agent may charge reasonable fees when
17 transmitting an Automated Clearing House Network payment related to
18 transaction management, data management, portal services and other
19 value-added services in addition to the bank transmittal.

20 E. The provisions of this section shall not be waived by
21 contract, and any contractual clause in conflict with the provisions
22 of this section or that purport to waive any requirements of this
23 section are void.

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1 F. Violations of this section shall be subject to enforcement
2 by the Insurance Commissioner.

3 SECTION 2. This act shall become effective November 1, 2019.

4 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
5 April 8, 2019 - DO PASS AS AMENDED
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