Predetermination of Health Care Benefits Act; HB 2668

HB 2668 makes certain findings on behalf of the Legislature and enacts the Predetermination of Health Care Benefits Act.

Among the findings, the bill states the people of Kansas all benefit if health plans were required to provide real-time Explanation of Benefits (EOBs) on request when a physician submits an electronic claim predetermination request. The bill also states the Legislature finds and declares:

- Health plans have the ability today to provide a real-time EOB, enabling patients and their physicians to learn how a claim for services will be adjudicated at the point of care;

- Real-time EOBs have the potential to significantly reduce health care costs by making the true cost of health care services transparent to patients and their physicians at the time treatment decisions are being made and by reducing the costs of collections; and

- Real-time EOBs also have the potential to eliminate the financial uncertainty that currently plagues the health care system and would remove another layer of complexity and anxiety for patients at a time when they should be focused on their health.

Predetermination of Health Care Benefits Act

The bill creates the Predetermination of Health Care Benefits Act and establishes a request and information transaction process termed as the "health care predetermination request and response." Health plans that receive an electronic health predetermination request will be required to provide to the requesting health care provider the amounts of expected benefits coverage on the procedures specified in the request that is accurate at the time of the health plan's response. Any such request provided in good faith would be deemed to be an estimate only and would not be binding upon the health plan with regard to the final amount of benefits actually provided by the plan.

Health Care Services; Information to be Provided

The bill specifies the following information to be provided in the response by the health plan:

- The amount the patient will be expected to pay, clearly identifying any deductible amount, coinsurance, and copayment;

- The amount the health care provider and institution will be paid; and

- Whether any payments will be reduced or increased from the agreed fee schedule amounts and, if so, the health care policy that identifies why the payments will be reduced or increased.

Health Care Predetermination Request and Response

The bill requires this electronic request and response transaction to be conducted in accordance with the transactions and code sets standards promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the related 45 Code of Federal Regulations, parts 160 and 162 or later versions. The bill specifies two transaction sets – the ASC X12 837 health care predetermination: professional transaction and the ASC X12 837 health predetermination: institutional. The bill also requires compliance with any operating rules that may be adopted with respect to this transaction or any of its successors, without regard to whether those operating rules are mandated by HIPAA. The response of the health plan to the predetermination request must be returned using the same form of transmission as that of the submission.

Definitions; Payments and Predetermination Requests; Rules and Regulations

The bill creates definitions for the following terms:

- Health plan – the same meaning as defined in KSA 40-4602 (any hospital or medical expense policy, health, hospital or medical service corporation contract, a plan provided by a municipal group-funded pool, a policy or agreement entered into by a health insurer or a health maintenance organization contract offered by an employer or any certificate issued under any such policies, contracts or plans);

- Health care provider – the same meaning as defined in KSA 40-4602 (physician, hospital or other person which is licensed, accredited or certified to perform specified health care services). The term also includes:
    - Advanced practice registered nurses; and
    - Physician assistants; and

- Payment – the term means only a deductible or coinsurance payment and does not include a copayment.

The bill states the Act will preclude the collection of any payment prior to or as a condition of receiving the health benefit services subject to a predetermination request, unless this practice is not prohibited by the provider agreement with the health plan.

The bill requires the Insurance Commissioner to adopt rules and regulations necessary to carry out the provisions in the bill.

Effective Date

The bill will be effective and be in force from and after July 1, 2017, and publication in the statute book.