

HCS HB 1880 -- HEALTH INSURANCE CONTRACTS

SPONSOR: Schaaf

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Healthcare Transformation by a vote of 7 to 0.

This substitute prohibits any agreement between a health insurance carrier and a licensed health care provider from containing a provision which:

- (1) Prohibits a provider from contracting with another carrier to accept a lower reimbursement than the payment specified in the agreement;
- (2) Requires the provider to accept a lesser reimbursement from the carrier if the provider agrees with another carrier to accept the lower reimbursement for services;
- (3) Terminates or renegotiates the agreement if the provider agrees to accept a lower payment from a different carrier for services; or
- (4) Requires the provider to disclose his or her contracted reimbursement rates with all contracted providers.

A violation of any of these provisions will make an agreement void and unenforceable.

FISCAL NOTE: Estimated Cost to General Revenue Fund of \$36,810 in FY 2009, Unknown greater than \$36,810 in FY 2010, and Unknown greater than \$36,810 in FY 2011. No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the bill promotes competition, prevents price fixing, allows smaller insurance companies to be more competitive, and maintains continuity of care for patients.

Testifying for the bill were Representative Schaaf; Missouri State Medical Association; United Healthcare; Coventry Health Care; Aetna, Incorporated; Cigna; Elizabeth Wilden, Mid-Missouri Anesthesiologists, Incorporated; and Missouri Academy of Family Physicians.

OPPONENTS: Those who oppose the bill say that it impairs insurance companies' ability to have the best product and network of physicians at the best price and takes away the ability of the health care provider and insurance carrier to negotiate prices.

Testifying against the bill were Blue Cross Blue Shield of Kansas

City; Express Scripts; Wesley Braman, Freeman Health System; Anthem Blue Cross and Blue Shield; and Missouri Insurance Coalition.