I Original	Updated		🔲 Su	pplemental			
LRB Number	17-3981/1	Introduction N	umber AB	-1016			
Description evaluation of health plan network adequacy							
Fiscal Effect							
State: No State Fisca Indeterminate Increase Ex Appropriation Decrease Ex Appropriation Create New	kisting Incl ons Rev Existing Dec	crease Existing t		May be possible agency's budget ⊠No			
2. Decrease	Costs 3. 🔲 Inci ve 🗍 Mandatory 🛄 Per	rease Revenue A missive Mandatory Crease Revenue	Counties	S Village Cities Others WTCS Districts			
Fund Sources Affected Affected Ch. 20 Appropriations   GPR FED PRO PRS SEG   GPR FED PRO PRS SEG							
Agency/Prepared By		Authorized Signature	uthorized Signature				
OCI/ Jeff Grothman (608) 264-6239		J.P. Wieske (608) 266-2493		3/19/2018			

,

## Fiscal Estimate - 2017 Session

## **Fiscal Estimate Narratives**

OCI 3/19/2018

LRB Number 17-3981/1	Introduction Number	AB-1016	Estimate Type	Original			
Description							
evaluation of health plan network adequacy							

## Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Office of the Commissioner of Insurance, (OCI) to determine if there are a sufficient number of providers in a defined network plan or preferred provider plan. The bill allows OCI to require a plan to make accommodations for enrollees to obtain covered health services if the plan's network is not sufficient. The bill also specifies factors that OCI is allowed to consider when determining whether a plan's network is sufficient.

Under current law, OCI currently has a network adequacy statute and rule placing the burden upon insurers to demonstrate the networks they provide are adequate for the number of insured lives that not only takes into account the sheer number but also the disease factors of existing and future medical needs of the insureds. Insurers annually attest that the networks offered are adequate, an attestation upon which OCI relies as an initial review. Upon concerns raised through complaints or OCI examination, further analysis is conducted by OCI to verify the insurer's network is adequate.

This bill requires OCI to approve each provider's network prior to implementation by the insurer. This process will require OCI to establish new administrative rules and processes not currently used by the agency. Furthermore, by requiring OCI to approve each provider network before implementation will necessitate OCI to hire additional positions in our Division of Regulation and Enforcement. OCI will be required to consider an RFP for software used to review network adequacy.

## Long-Range Fiscal Implications