Fiscal Estimate - 2017 Session

☑ Original ☐ Updated	Corrected	Supplemental			
LRB Number 17-5551/1	Introduction Num	nber SB-842			
Description evaluation of health plan network adequacy					
Fiscal Effect					
Appropriations Reve	rease Existing to a enues	ease Costs - May be possible bsorb within agency's budge Yes rease Costs			
Permissive Mandatory Perm 2. Decrease Costs 4. Decr	ease Revenue Mandatory rease Revenue Missive Mandatory	es of Local ernment Units cted Fowns Village Citi Counties Others School WTCS Districts			
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS					
Agency/Prepared By	Authorized Signature	Date			
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Fiscal Estimate Narratives OCI 3/19/2018

LRB Number 17-5551/1	Introduction Number	SB-842	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