

LEGISLATIVE BILL 445

Approved by the Governor May 26, 2009

Introduced by Fulton, 29.

FOR AN ACT relating to the Health Insurance Access Act; to amend sections 44-5302, 44-5303, 44-5306, and 44-5307, Reissue Revised Statutes of Nebraska, and section 44-5305, Revised Statutes Cumulative Supplement, 2008; to change provisions relating to legislative intent, defined terms, and policy or contract eligibility and requirements; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 44-5302, Reissue Revised Statutes of Nebraska, is amended to read:

44-5302 The Legislature finds and declares that there is an ~~increasing~~ a significant number of Nebraskans who lack health insurance and that these uninsured people include many individuals and families who cannot afford the rising cost of medical care but do not qualify for the various income-based assistance programs. The lack of financial means of uninsured people and families to pay for their medical care leaves health care providers with uncollectible debts which are transferred to other patients and to insurers. It is the purpose and intent of the Legislature to provide a mechanism to allow insurers to provide basic levels of health insurance to those people who are uninsured, ~~are below certain income levels,~~ and are not qualified for income-based assistance programs.

Sec. 2. Section 44-5303, Reissue Revised Statutes of Nebraska, is amended to read:

44-5303 For purposes of the Health Insurance Access Act:

(1) Insurer shall mean any insurance company as defined in section 44-103 authorized to transact health insurance business in the State of Nebraska or a health maintenance organization which has obtained a valid certificate of authority;

(2) Medicare shall mean parts A, B, C, and D ~~and B~~ of Title XVIII of the Social Security Act, 42 U.S.C. 1395 et seq., as amended;

(3) Provider shall mean any physician or hospital who is licensed or authorized in this state to furnish medical care or hospitalization to any individual;

(4) Spell of illness shall mean a continuous period as a hospital inpatient or successive periods as a hospital inpatient when the date of discharge and the following date of admission are less than sixty consecutive days apart; and

(5) Uninsured access coverage shall mean a policy of sickness and accident insurance or a contract for health care services covering individuals, with or without their dependents, issued by an insurer subject to the limitations and requirements in the act.

Sec. 3. Section 44-5305, Revised Statutes Cumulative Supplement, 2008, is amended to read:

44-5305 (1) An uninsured access coverage policy or contract shall limit eligibility to individuals or families ~~+(a) Whose gross income does not exceed one hundred eighty-five percent of income standards prescribed by the federal Office of Management and Budget income poverty guidelines in effect on February 1, 1991, or as may be later amended, and (b) Who~~ who are not eligible for medicare or any other medical assistance program, including, but not limited to, the program established pursuant to the Medical Assistance Act.

~~(2) Every uninsured access coverage policy or contract shall specify the time period, not exceeding six months, for which any applicant is required to demonstrate eligibility based upon the income standards of such policy or contract, and every such policy or contract shall specify what constitutes sufficient verification of income at the time of application and annual renewals.~~

(2) ~~(3)~~ If an individual's or a family's income exceeds the income eligibility standards of the uninsured access coverage policy or contract and such individual or family is thereby no longer eligible for continued coverage, the uninsured access coverage policy or contract shall allow a transfer to a designated type of individual policy or contract without evidence of insurability and without interruption in coverage subject to payment of premiums. Each uninsured access coverage policy or contract shall specify the type of individual policy or contract to which an insured person may transfer.

Sec. 4. Section 44-5306, Reissue Revised Statutes of Nebraska, is

amended to read:

44-5306 (1) An individual or a family member shall not be eligible for initial or continued coverage under an uninsured access coverage policy or contract if he or she:

(a) Is eligible as an employee or dependent for group insurance coverage sponsored or maintained by an employer; or

(b) Is covered by any other type of hospital, surgical, or medical expense-incurred policy or health maintenance organization contract. ~~or~~

~~(c) Exceeds the income eligibility standards of the uninsured access coverage policy or contract at any time or at any annual renewal.~~

(2) An uninsured access coverage policy or contract may require evidence of insurability but shall not use underwriting guidelines that are more strict than those normally used by the insurer for its regular individual health insurance contracts.

Sec. 5. Section 44-5307, Reissue Revised Statutes of Nebraska, is amended to read:

44-5307 (1) ~~Every~~ An uninsured access coverage policy or contract ~~shall~~ may include hospital-only and surgical-only benefits which shall mean:

(a) Inhospital benefits for not less than thirty continuous days nor more than ninety continuous days for each spell of illness; and

(b) Surgical benefits for both inpatient and outpatient surgery.

(2) An uninsured access coverage policy or contract may include prescription drug benefit coverage.

(3) An uninsured access coverage policy or contract may include preventative health care coverage, including, but not limited to, primary care physician visits, immunizations for adults and children, laboratory and x-ray procedures, and preventative cancer screenings such as mammograms, cervical cancer screenings, and noninvasive colorectal or prostate screenings.

~~(2)~~ (4) An uninsured access coverage policy or contract may not:

(a) Use a definition of spell of illness more restrictive than the definition found in section 44-5303; or

(b) Use a definition of preexisting condition more restrictive than the definition normally used by the insurer for its regular individual health insurance contracts.

~~(3)~~ (5) Every uninsured access coverage policy or contract shall provide that the benefit payment shall be accepted as payment in full by the provider and there shall be no deductible or coinsurance charged to the insured.

Sec. 6. Original sections 44-5302, 44-5303, 44-5306, and 44-5307, Reissue Revised Statutes of Nebraska, and section 44-5305, Revised Statutes Cumulative Supplement, 2008, are repealed.