

AMENDMENTS TO LB480

Introduced by Banking, Commerce and Insurance.

1 1. Strike original section 1 and insert the following new sections:

2 Section 1. (1) For purposes of this section:

3 (a) Notwithstanding section 44-3,131, health insurance policy means
4 (i) any individual or group sickness and accident insurance policy or
5 subscriber contract delivered, issued for delivery, or renewed in this
6 state and any hospital, medical, or surgical expense-incurred policy,
7 except for a policy that provides coverage for a specified disease or
8 other limited-benefit coverage, and (ii) any self-funded employee benefit
9 plan to the extent not preempted by federal law;

10 (b) Jail means a city or county correctional or jail facility
11 operated by a political subdivision of the state;

12 (c) Pending disposition of charges means up until the time of
13 sentencing and shall not include any time after sentencing as may occur
14 due to appeals; and

15 (d) Temporary custody means in the custody of a jail pending
16 disposition of charges.

17 (2) Except as provided in subsection (4) of this section, an insurer
18 offering a health insurance policy may not (i) cancel the coverage of an
19 insured while the insured is in temporary custody on the basis of such
20 custody or (ii) deny coverage for any medical services or supplies
21 covered by the policy and received while the insured is in temporary
22 custody if such services or supplies were provided to the insured by an
23 employee or contractor of a jail who meets the credentialing criteria of
24 the health insurance policy.

25 (3) Except as set forth under section 47-704, an insurer offering a
26 health insurance policy shall pay claims for covered medical services or
27 supplies provided by an out-of-network health care provider to an insured

1 who is in temporary custody in an amount that is not less than one
2 hundred percent of the medicare rate for such services or supplies. The
3 political subdivision acting as an out-of-network provider shall notify
4 the insurer of the cost incurred by the insured while in temporary
5 custody.

6 (4) An insurer offering a health insurance policy may:

7 (a) Deny coverage for the treatment of injuries resulting from a
8 violation of law by the insured;

9 (b) Exclude from any requirements for reporting quality outcomes or
10 performance any covered medical services provided to an insured in
11 temporary custody;

12 (c) Impose the same contractual provisions, including requirements
13 for billing and medical coding, under the policy for medical services
14 provided to insureds who are in temporary custody as imposed for medical
15 services provided to insureds who are not in such custody;

16 (d) Deny coverage of diagnostic tests or health evaluations required
17 as a matter of course for all individuals who are in temporary custody;

18 (e) Limit coverage of hospital and ambulatory surgical center
19 services provided to an insured in temporary custody to medical services
20 provided by in-network hospitals and ambulatory surgical centers;

21 (f) Deny coverage for costs of medical services made necessary by
22 the negligence, recklessness, or intentional misconduct of the jail or
23 its employees as set forth in section 47-705; and

24 (g) If an insured is incarcerated after the disposition of charges
25 or is committed to the custody or supervision of the Department of
26 Correctional Services, cancel coverage or deny coverage for any medical
27 services or supplies covered by the plan and provided during such
28 incarceration or while in the custody or supervision of the department.

29 (5) If an insured is incarcerated after the disposition of charges
30 or is committed to the custody or supervision of the Department of
31 Correctional Services, a jail which has sought reimbursement for medical

1 services under this section shall notify the insurer that the insured has
2 been subsequently incarcerated or placed in such custody.

3 (6)(a) An insurer may not refuse to credential a health care
4 provider who is an employee or a contractor of a political subdivision on
5 the basis that the employee or contractor provides medical services in a
6 jail.

7 (b) If an insurer refuses to credential a health care provider who
8 is an employee or a contractor of a political subdivision who provides
9 medical services in a jail, the insurer must give written notice to the
10 provider explaining the reasons for the refusal.

11 (7) This section shall not:

12 (a) Apply to coverage for an insured in custody following the
13 disposition of charges;

14 (b) Impair any right of an employer to remove an employee from
15 coverage under a health insurance plan;

16 (c) Release an insurer from the requirement to coordinate benefits
17 for persons who are insured by more than one insurer; or

18 (d) Limit an insurer's right to rescind coverage in accordance with
19 law.

20 (8) A political subdivision shall not pay health insurance policy
21 premiums on behalf of a person who is in temporary custody.

22 (9) This section applies to health insurance policies issued or
23 renewed on or after January 1, 2018, and to claims for reimbursement
24 based on such policies for costs incurred on or after January 1, 2018.

25 Sec. 2. Section 47-701, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 47-701 (1) Notwithstanding any other provision of law, and except as
28 provided in section 1 of this act, sections 47-701 to 47-705 shall govern
29 responsibility for payment of the costs of medical services for any
30 person ill, wounded, injured, or otherwise in need of such services at
31 the time such person is arrested, detained, taken into custody, or

1 incarcerated.

2 (2) For purposes of sections 47-701 to 47-705, the term medical
3 services includes medical and surgical care and treatment,
4 hospitalization, transportation, medications and prescriptions, and other
5 associated items.

6 Sec. 3. The Revisor of Statutes shall assign section 1 of this act
7 to Chapter 44, article 7.

8 Sec. 4. Original section 47-701, Reissue Revised Statutes of
9 Nebraska, is repealed.