

**ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018**  
**COMMITTEE STATEMENT**  
**LB604**

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**Hearing Date:** Monday February 27, 2017  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Riepe  
**One Liner:** Adopt the Nebraska Right to Shop Act and place duties on insurance carriers

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Baker, Brewer, Kolterman, Lindstrom, McCollister, Schumacher, Williams
<b>Nay:</b>	1	Senator Harr
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Verbal Testimony:**

**Proponents:**

Senator Merv Riepe  
Tom Newell

**Representing:**

Introducer  
Foundation for Government Accountability

**Opponents:**

**Representing:**

**Neutral:**

Bo Botelho  
Eric Dunning

**Representing:**

NE Dept. of Administrative Services  
Blue Cross Blue Shield of NE

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**Summary of purpose and/or changes:**

**OVERVIEW**

This bill would enact the Nebraska Right to Shop Act to provide that an insurance carrier may develop and implement a program that provides incentives for enrollees in a health plan who elect to receive shoppable health care services covered by the plan from health care providers that charge less than the average price paid by that carrier for that shoppable health care service.

**SUMMARY**

The bill would provide, section by section, as follows:

Section 1 would provide for a named act: the Nebraska Right to Shop Act.

Section 2 would provide for definitions: (1) allowed amount (the contractually agreed upon amount paid by an insurance carrier to a health care entity participating in its network or the amount the health plan is required to pay under the health plan policy or certificate for out-of-network covered benefits); (2) dependents; (3) director; (4) health care entity (a licensed facility, licensed professional, or licensed organization or association); (5) insurance carrier (an entity that provides health insurance, including an insurance company, fraternal benefit society, health maintenance organization, and the State of Nebraska); (6) program; and (7) shoppable health care service (a health care service for which an insurance carrier offers a shared savings incentive payment under a program established by the insurance carrier, and

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includes (a) physical and occupational therapy services, (b) obstetrical and gynecological services, radiology and imaging services, laboratory services, infusion therapy, inpatient or outpatient surgical procedures, and outpatient nonsurgical diagnostic tests or procedures).

Section 3 would provide that the Nebraska Right to Shop Act shall apply to the State of Nebraska and any other insurance carrier that elects to be subject to the act.

Section 4 would provide that prior to a nonemergency admission, procedure, or service and upon request by a patient or prospective patient, a health care entity within the patient's or prospective patient's insurer network shall, within three days, disclose the amount allowed, and a health care entity outside the patient's or prospective patient's insurer network shall, within three days, disclose the amount that will be charged.

Section 5 would provide that an insurance carrier shall establish an interactive mechanism on its web site that enables an enrollee to request and obtain from the insurance carrier information on the payments made by the insurance carrier to network providers.

Section 6 would provide that within two working days of an enrollee's request, an insurance carrier shall provide a good faith estimate of the amount the enrollee will be responsible to pay out-of-pocket for a proposed nonemergency procedure or service.

Section 7 would provide that an insurance carrier shall develop and implement a program that provides incentives for enrollees in a health plan who elect to receive shoppable health care services that are covered by the plan from providers that charge less than the average price paid by that insurance carrier for that shoppable health care service.

Section 8 would provide that an insurance carrier shall make the incentive program available as a component of health plans offered by the insurance carrier in this state.

Section 9 would provide that an insurance carrier shall file a description of the incentive program with the Department of Insurance so that the department may determine if the incentive program complies with the Nebraska Right to Shop Act.

Section 10 would provide that if an enrollee elects to receive a shoppable health care service from an out-of-network provider that results in a shared savings incentive payment, the insurance carrier shall apply the amount paid for the service toward the enrollee's member cost sharing as if the health care services were provided by an in-network provider.

Section 11 would provide that a shared savings incentive payment made by an insurance carrier is not an administrative expense of the insurance carrier for rate development or rate filing purposes.

Section 12 would provide that each year each insurance carrier other than the State of Nebraska shall file specified information with the Department of Insurance and that each year the department shall submit an aggregate report to the Legislature for all insurance carriers filing information with the department.

Section 13 would provide the Department of Insurance with rule and regulation authority.

Section 14 would amend section 44-361 to provide that payments made pursuant to the Nebraska Right to Shop Act shall not be considered an illegal rebate of premium.

Section 15 would provide for the repealer of the amendatory section.

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**Explanation of amendments:**

The committee amendments would amend section 3 to eliminate the requirement that the State of Nebraska shall establish a shared savings incentive payment program for state employees.

The committee amendments would insert a new section 13 and would insert and amend section 84-1613 to provide that the personnel division of the Department of Administrative Services may develop and implement a shared savings incentive payment program for state employees and may use the State Employees Insurance Fund to make incentive payments to state employees.

The committee amendments would add new definitions of "enrollee" and "incentive payment" and would make stylistic and clean-up changes.

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Brett Lindstrom, Chairperson