

2014 -- S 2748

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators Archambault, Lombardi, DiPalma, Ottiano, and Hodgson

Date Introduced: March 06, 2014

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness
2 Insurance Policies" is hereby amended by adding thereto the following section:

3 **27-18-82. Plan change notice.** – Every entity providing a policy of accident and sickness
4 insurance as defined in this chapter shall notify:

5 (1)(i) All plan purchasers purchasing services for employees under a group or individual
6 policy contract or health benefit plan for coverage of accident and sickness insurance, in writing,
7 of any changes to its rules and regulations, guidelines, policies, or procedures concerning
8 coverage of or payment for services.

9 (ii) Said notice of changes in terms shall be communicated to all plan purchasers
10 purchasing services for employees in writing by the plan showing the changes in redline format
11 and shall be provided to the participating plan purchasers no later than fifteen (15) days before the
12 effective date of said changes.

13 (iii) The notice shall demonstrate how these changes in coverage will impact the cost of
14 the plan, including demonstrable cost savings to the plan purchasers.

15 (2)(i) All covered members under a group or individual policy contract or health benefit
16 plan for coverage of accident and sickness insurance, in writing, of any changes to its rules and
17 regulations, guidelines, policies, or procedures concerning coverage of or payment for services.

18 (ii) Said notice of changes in terms shall be communicated to the covered members in
19 writing by the plan showing the changes in redline format and shall be provided to the covered

1 members no later than fifteen (15) days before the effective date of said changes.

2 SECTION 2. Chapter 27-18.5 of the General Laws entitled "Individual Health Insurance
3 Coverage" is hereby amended by adding thereto the following section:

4 **27-18.5-11. Plan change notice.** – Every entity providing a policy of individual health
5 insurance coverage as defined in this chapter shall notify:

6 (1)(i) All plan purchasers purchasing services for employees under a group or individual
7 policy contract or health benefit plan for individual health insurance coverage, in writing, of any
8 changes to its rules and regulations, guidelines, policies, or procedures concerning coverage of or
9 payment for services.

10 (ii) Said notice of changes in terms shall be communicated to all plan purchasers
11 purchasing services for employees in writing by the plan showing the changes in redline format
12 and shall be provided to the participating plan purchasers no later than fifteen (15) days before the
13 effective date of said changes.

14 (iii) The notice shall demonstrate how these changes in coverage will impact the cost of
15 the plan, including demonstrable cost savings to the plan purchasers.

16 (2)(i) All covered members under a group or individual policy contract or health benefit
17 plan for individual health insurance coverage, in writing, of any changes to its rules and
18 regulations, guidelines, policies, or procedures concerning coverage of or payment for services.

19 (ii) Said notice of changes in terms shall be communicated to the covered members in
20 writing by the plan showing the changes in redline format and shall be provided to the covered
21 members no later than fifteen (15) days before the effective date of said changes.

22 SECTION 3. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service
23 Corporations" is hereby amended by adding thereto the following section:

24 **27-19-73. Plan change notice.** – Every entity providing a policy of insurance under this
25 chapter shall notify:

26 (1)(i) All plan purchasers purchasing services for employees under a group or individual
27 policy contract or health benefit plan, in writing, of any changes to its rules and regulations,
28 guidelines, policies, or procedures concerning coverage of or payment for services.

29 (ii) Said notice of changes in terms shall be communicated to all plan purchasers
30 purchasing services for employees in writing by the plan showing the changes in redline format
31 and shall be provided to the participating plan purchasers no later than fifteen (15) days before the
32 effective date of said changes.

33 (iii) The notice shall demonstrate how these changes in coverage will impact the cost of
34 the plan, including demonstrable cost savings to the plan purchasers.

1 (2)(i) All covered members under a group or individual policy contract or health benefit
2 plan, in writing, of any changes to its rules and regulations, guidelines, policies, or procedures
3 concerning coverage of or payment for services.

4 (ii) Said notice of changes in terms shall be communicated to the covered members in
5 writing by the plan showing the changes in redline format and shall be provided to the covered
6 members no later than fifteen (15) days before the effective date of said changes.

7 SECTION 4. Chapter 27-20 of the General Laws entitled "Nonprofit Medical Service
8 Corporations" is hereby amended by adding thereto the following section:

9 **27-20-69. Plan change notice.** – Every entity providing a policy of insurance under this
10 chapter shall notify:

11 (1)(i) All plan purchasers purchasing services for employees under a group or individual
12 policy contract or health benefit plan, in writing, of any changes to its rules and regulations,
13 guidelines, policies, or procedures concerning coverage of or payment for services.

14 (ii) Said notice of changes in terms shall be communicated to all plan purchasers
15 purchasing services for employees in writing by the plan showing the changes in redline format
16 and shall be provided to the participating plan purchasers no later than fifteen (15) days before the
17 effective date of said changes.

18 (iii) The notice shall demonstrate how these changes in coverage will impact the cost of
19 the plan, including demonstrable cost savings to the plan purchasers.

20 (2)(i) All covered members under a group or individual policy contract or health benefit
21 plan, in writing, of any changes to its rules and regulations, guidelines, policies, or procedures
22 concerning coverage of or payment for services.

23 (ii) Said notice of changes in terms shall be communicated to the covered members in
24 writing by the plan showing the changes in redline format and shall be provided to the covered
25 members no later than fifteen (15) days before the effective date of said changes.

26 SECTION 5. Chapter 27-41 of the General Laws entitled "Health Maintenance
27 Organizations" is hereby amended by adding thereto the following section:

28 **27-41-86. Plan change notice.** -- Every entity providing a policy of insurance under this
29 chapter shall notify:

30 (1)(i) All plan purchasers purchasing services for employees under a group or individual
31 policy contract or health benefit plan, in writing, of any changes to its rules and regulations,
32 guidelines, policies, or procedures concerning coverage of or payment for services.

33 (ii) Said notice of changes in terms shall be communicated to all plan purchasers
34 purchasing services for employees in writing by the plan showing the changes in redline format

1 and shall be provided to the participating plan purchasers no later than fifteen (15) days before the
2 effective date of said changes.

3 (iii) The notice shall demonstrate how these changes in coverage will impact the cost of
4 the plan, including demonstrable cost savings to the plan purchasers.

5 (2)(i) All covered members under a group or individual policy contract or health benefit
6 plan, in writing, of any changes to its rules and regulations, guidelines, policies, or procedures
7 concerning coverage of or payment for services.

8 (ii) Said notice of changes in terms shall be communicated to the covered members in
9 writing by the plan showing the changes in redline format and shall be provided to the covered
10 members no later than fifteen (15) days before the effective date of said changes.

11 SECTION 6. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

1 This act would require insurance providers to provide notice of changes relating to
2 coverage to plan purchasers and covered members.

3 This act would take effect upon passage.

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