

As Introduced

**127th General Assembly
Regular Session
2007-2008**

S. B. No. 104

Senator Mumper

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A BILL

To amend section 3901.386 of the Revised Code to 1
require insurers and other third-party payers to 2
accept and honor assignment-of-benefit agreements 3
entered into between plan beneficiaries and 4
treating health care providers. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3901.386 of the Revised Code be 6
amended to read as follows: 7

Sec. 3901.386. (A) Notwithstanding section 1751.13 or 8
division (I)(2) of section 3923.04 of the Revised Code, a 9
reimbursement contract entered into or renewed on or after June 10
29, 1988, between a third-party payer and a hospital shall provide 11
that reimbursement for any service provided by a hospital pursuant 12
to a reimbursement contract and covered under a benefits contract 13
shall be made directly to the hospital. 14

(B) If ~~the a~~ a third-party payer and ~~the hospital~~ a provider 15
have not entered into a contract regarding the provision and 16
reimbursement of covered services, the third-party payer shall 17
accept and honor a completed and validly executed assignment of 18
benefits with a ~~hospital~~ provider by a beneficiary, ~~except when~~ 19
~~the third party payer has notified the hospital in writing of the~~ 20

~~conditions under which the third party payer will not accept and honor an assignment of benefits. Such notice shall be made annually.~~ 21
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~~(C) A third party payer may not refuse to accept and honor a validly executed assignment of benefits with a hospital pursuant to division (B) of this section for medically necessary hospital services provided on an emergency basis~~ 24
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A claim under a benefits contract is not settled until the provider receives payment for those health care services rendered to a beneficiary that are covered under a benefits contract. Both a beneficiary executing an assignment of benefits with a provider and a third-party payer accepting the assignment of benefits are liable for the amount due to the provider. 28
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When a valid assignment-of-benefits agreement is executed, a health care provider shall not bill the beneficiary more than the difference between eighty per cent of the health care provider's total billed charges and the amount paid to the provider directly by the third party payer except when emergency services are provided. 34
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(D) As used in this section: 40

(1) "Emergency services" means health care services rendered by any of the following: 41
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(a) A physician, physician group, physician partnership, or physician professional corporation who provides health care services in a hospital emergency department; 43
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(b) An ambulance or other vehicle that provides emergency medical services, as defined in division (G) of section 4765.01 of the Revised Code, in response to a call placed to a 9-1-1 system, as defined in section 4931.40 of the Revised Code; 46
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(c) An air medical service organization providing air medical 50

transportation and is otherwise engaged in providing emergency 51
medical services to the public with a rotorcraft air ambulance or 52
fixed wing air ambulance. 53

(2) "Patient" means any individual who as a result of illness 54
or injury needs medical attention, whose physical or mental 55
condition is such that there is imminent danger of loss of life or 56
significant health impairment, or who may be otherwise 57
incapacitated or helpless as a result of a physical or mental 58
condition. 59

(3) "Provider" means a hospital, long-term care facility, 60
nursing home, physician, podiatrist, dentist, pharmacist, 61
chiropractor, or other licensed health care provider, provider 62
partnership, or provider professional corporation. "Provider" also 63
includes any person licensed or otherwise authorized to transport 64
patients, including but not limited to emergency victims, to, 65
from, or between providers. 66

(4) "Third-party payer" means a sickness and accident 67
insurer, health insuring corporation, intermediary organization as 68
defined in section 1751.01 of the Revised Code, or any other 69
person obligated pursuant to a benefits contract to reimburse for 70
covered health care services rendered to beneficiaries, up to the 71
limits and exclusions contained in the benefits contract. 72

Section 2. That existing section 3901.386 of the Revised Code 73
is hereby repealed. 74