

**One Hundred Third Legislature - Second Session - 2014**

**Introducer's Statement of Intent**

**LB831**

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**Chairperson: Senator Mike Gloor**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 18, 2014**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 831 would require insurers to apply the reimbursement of covered medical equipment to the deductible year in which the request for approval of coverage was received by the insurer. In addition, it would amend Section 44-1540 by adding a new subsection (19) that includes "Unreasonably delaying a request for preapproval of coverage for medical equipment." This makes it part of the list of unfair claims settlement practices.

Currently, some insurers that receive a request for approval of coverage for medical equipment toward the end of a deductible year will unreasonably delay the approval of coverage for medical equipment reimbursement until after the start of a new deductible year, therefore avoiding the reimbursement payment because the new year resets the insured's deductible. This shifts the cost of the medical equipment away from the insurer to the insured, even though the medical equipment is a covered item.

LB831 seeks to curb this type of insurance practice from occurring in Nebraska.

**Principal Introducer:** \_\_\_\_\_

**Senator Mark Christensen**