

SPEAKER WITHEM: LB 762 is advanced. LB 473. The call is raised.

CLERK: Mr. President, 473, a bill introduced by Senator Landis. (Read title.) The bill was introduced on January 17, referred to the Banking Committee, advanced to General File. There are Banking Committee amendments pending.

SPEAKER WITHEM: Banking Committee amendments, Senator Landis.

SENATOR LANDIS: Thank you, Speaker Withem. The committee amendments become the bill, so let me describe the bill to you and what it is intended to do. I'll describe the committee amendments and that actually will explain what's in LB 473. In the past, there has always been a big fight between insurance companies and providers about the operation of PPOs, which are preferred provider organizations. They're networks of doctors and hospitals and these networks allow insureds to go to one of the doctors in the PPO and get treatment probably at a lower cost than if it was just a normal insurance policy. Well, one of the difficulties is the PPO has the effect of rearranging clients and providers and if you're in the PPO, you probably get more clients and if you're out of the PPO, you don't get as many clients and some of the people who used to do business with you won't be reimbursed by the insurance company if they continue to do business with you, so many of the providers have a lot of animosity about PPOs. In the past, there has been a big...oh, a big fight between these two basic economic entities and that fight has had two aspects, one economic in which providers have tried to find ways of breaking up the effect of the PPO in rearranging client loyalties and service and the second aspect which is the procedural fairness that a PPO goes through in giving notice to people, accepting doctors and providers into the PPO, handling complaints inside the PPO for how the doctors are treated. Well, this year, unlike previous years, the insurance companies and the providers got together and decided to tackle the latter of the two arguments, the fairness argument of treatment rather than the economics of the PPO and surprise, surprise, there was some area of agreement. The insurance companies did not require that they treat people unfairly. In fact, they were interested in making some arrangements that would treat equitably people and providers who were considering being into the PPO. So what this measure does is to outline a series of procedural fairnesses that will be given by insurance companies to providers in the operation of PPOs. Let me list