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FLOOR DEBATE

April 20, 2005 LB 709

SENATOR CUDABACK: Mr. Clerk, a motion, please.

ASSISTANT CLERK: Mr. President, Senator Beutler would move to amend. (AM1256, Legislative Journal pages 1228-1232.)

SENATOR CUDABACK: Senator Beutler, open on your amendment.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, this is the coordination of benefits amendment, and basically, again, what it does is to set up a program of responses on the part of the insurance companies, a program by which they will have to respond to requests for information. And it defines what "coordinating benefit" means, and I want to read that to you. It says that the insurer will provide the Department of Health and Human Services information regarding the licensed insurer's or self-funded insurer's existing coverage for an individual who is eligible for a state program, for a state benefit program. So in other words, they need to make a reasonable response. The coverage information that can be requested is health information possessed by a licensed insurer or self-funded insurer that is limited to the following information about an individual: their eligibility for coverage, the coverage of healthcare under the health plan, or benefits and payments associated with the healthcare plan. And a health plan under this coordination system means a policy of insurance issued by a licensed insurer, or any employee benefit plan offered by a self-funded insurer which provides for payment to or on behalf of an individual, as a result of illness, disability, or injury, or a change in a health condition. And then it goes on and provides for an enforcement provision. It indicates that the failure to provide...to give access to information shall be subject to the Unfair Insurance Claims Settlement Practices Act, and it provides also for limited civil penalties on behalf of the department, and in case of flagrant violations and conscious disregard for requirements, for additional types of penalties. Again, the two major companies that do almost all this work, or the vast majority of the work, are Mutual and BlueCross BlueShield, and they have agreed to this. It's been worked out mutually. The only insurance company we've had a prolonged discussion with has been AFLAC.