

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 278

Introduced by von Gillern, 4.

Read first time January 15, 2025

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend section 44-4109.01,
- 2 Reissue Revised Statutes of Nebraska; to change requirements for
- 3 certain insurance policies and contracts; and to repeal the original
- 4 section.
- 5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 44-4109.01, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 44-4109.01 Policies or contracts authorized by sections 44-4109 and
4 44-4110 are subject to the following requirements:

5 (1) A prospective insured shall be provided information about the
6 terms and conditions of the insurance arrangement to enable him or her to
7 make an informed decision about accepting a system of health care
8 delivery. If the insurance arrangement is described orally to a
9 prospective insured, the description shall use easily understood,
10 truthful, and objective terms. All written descriptions shall be in a
11 readable and understandable format. Specific items that shall be included
12 are:

13 (a) Coverage provisions, benefits, and any exclusions by category of
14 service, provider, or physician and, if applicable, by specific service;

15 (b) Any prior authorization or other review requirements, including
16 preauthorization review, concurrent review, postservice review, and
17 postpayment review, the manner in which an insured may obtain review of a
18 denial of coverage, and the nature of any liability an insured may incur
19 if the insured does not comply with the authorization requirements of the
20 policy, contract, certificate, or other materials; and

21 (c) Information on the insured's financial responsibility for
22 payment for deductibles, coinsurance, or other noncovered services;

23 (2) If an insurer conducts customer satisfaction surveys concerning
24 an insurance arrangement, the results of such surveys shall be made
25 available upon request to existing and prospective participants in
26 insurance arrangements;

27 (3) The policy, contract, certificate, or other materials shall
28 establish a mechanism by which a committee of preferred providers will be
29 involved in reviewing and advising the insurance arrangement about
30 medical policy, including coverage of new technology and procedures,
31 quality and credentialing criteria, and medical management procedures;

1 (4) All policies or contracts shall have a system for credentialing
2 participating preferred providers and shall allow all providers within
3 the insurance arrangement's geographic service area to apply for such
4 credentials periodically and not less than annually. The credentialing
5 process:

6 (a) Shall begin upon application of a provider for inclusion in the
7 policy or contract; and

8 (b) Shall be based solely on quality, accessibility, or economic
9 considerations and shall be applied in accordance with reasonable
10 business judgment.

11 Credentialing standards or criteria shall be made available, upon
12 request, to providers and insureds;

13 (5) If the policy or contract is with an organized delivery system
14 formed by insurers, hospitals, physicians, or allied health
15 professionals, or a combination of such entities, participation by a
16 provider may be limited to a participant in the organized delivery system
17 or to providers having staff privileges at a particular health care
18 facility;

19 (6) If an insurer or a participant in an insurance arrangement
20 refuses to contract with a provider, the provider shall be permitted to
21 appeal the adverse decision. A person conducting the provider-appeal
22 procedure may be employed by the insurer or participant in an insurance
23 arrangement if the person does not initially participate in the decision
24 to take adverse action against the provider. The provider-appeal
25 procedure shall include, but not be limited to, notice of the date and
26 time of the hearing, a statement of the criteria or standards on which
27 the decision was based, an opportunity for the provider to review
28 information upon which the adverse decision was based, an opportunity for
29 the provider to appear personally at the hearing and present any
30 additional information, and a timely decision on the appeal;

31 (7) If the insurer or participant in an insurance arrangement

1 excludes or fails to retain a provider previously contracted with to
2 provide health care services, the provider shall be permitted to appeal
3 the adverse decision in the same manner as set forth in subdivision (6)
4 of this section. If the provider disagrees with the decision, the
5 provider shall be permitted to appeal to an appeals committee consisting
6 of one person selected by each party to the appeal and one person
7 mutually agreeable to both parties. The parties to the appeal shall pay
8 to the appeal committee any costs associated with the person they select
9 and shall share the costs of the person mutually agreeable to both
10 parties, which costs shall not be recoverable by the other party;

11 (8) Prior to initiation of a proceeding to terminate a provider's
12 participation, the provider shall be given an opportunity to enter into
13 and complete a corrective action plan, except in cases of fraud or
14 imminent harm to patient health or when the provider's ability to provide
15 services has been restricted by an action, including probation or any
16 compliance agreements, by the Department of Health and Human Services or
17 other governmental agency; and

18 (9) Policies and contracts shall not exclude a provider (a)
19 ~~providers~~ with a practice ~~practices~~ containing a substantial number of
20 patients having severe or expensive medical conditions or (b) who holds a
21 visiting faculty permit as described in section 38-2045. An insurance
22 arrangement shall not be prohibited , ~~except that this section shall not~~
23 ~~prohibit plans~~ from excluding a provider ~~providers~~ who fails ~~fail~~ to meet
24 the insurance arrangement's criteria for quality, accessibility, or
25 economic considerations.

26 **Sec. 2.** Original section 44-4109.01, Reissue Revised Statutes of
27 Nebraska, is repealed.