

Indiana

Indiana Department of Insurance
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Summary of Important Regulations

MEWA Regulations	Yes
TPA Regulations	Yes
Stop-Loss Regulations	No
UR Regulations	Yes

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	Ind. Admin. tit. 760 R-1-9-1 to 1-9-4
Comprehensive Health Ins. Cost Containment Model Act	None	Ind. Code §§ 27-8-10-1 to 27-8-10-8
Standardized Health Claims Form Model Regulation	None	Ind. Code § 27-8-5.5-2 Ind. Admin. tit. 760R. 1-23
Small Employer Health Insurance Availability Model Law	None	Ind. Code §§ 27-8-15- 1 to 27-8-15.5-30
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	Ind. Code §§ 27-8-11-1 to 27-8-11-5
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	Ind. Code §§ 27-1-25-1	Ind. Admin. tit. 760R. 1-41-1 to 1-41-5

Health Examination Benefits Availability Law	None	None
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Ind. Code §§ 27-1-15.5-1 to 27-1-15.5-20
MEWA Licensing Model Law	None	Bulletin 65
Managing General Agents Law	Ind. Code §§ 27-1-32-1	Ind. Admin. tit. 760R. 1-52-1 to 1-52-7
Health Maintenance Organization Model Law	Ind. Code §§ 27-13-1-1 to 27-13-33-2	None
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	Ind. Code §§ 27-4-1-1 to 27-4-1-18	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of	Ind. Code § 27-4-1-4; Ind. Admin. tit. 760R. 34 § 1-34-1 to 1-34-3	None

Total or Partial Blindness

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Ind. Code §§ 27-8-24.3-1 to 27-8-24.3-10
Unfair Claims Settlement Practices Law	Ind. Code § 27-4-1-4.5	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self-Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self-Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Autism
- Breast reconstruction
- Cleft palate
- Dental anesthesia
- Diabetic supplies, education
- Emergency services
- Mental health, parity
- Minimum maternity stays
- Off-label drug use
- Prostate cancer screening
- Well-child care

Benefits That Must Be Offered

- Mammography

Persons Who Must Be Allowed Coverage

- Adopted children
- Conversion to non-group
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Licensed Health Professionals
- Nurse (Anesthetists)
- Optometrists
- Osteopaths
- Podiatrists
- Psychologists

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes
- Joint Custody Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? Yes
- COBRA Rule? Yes
- Preservation Rule? No

Continuation or Conversion

No such benefits are mandated.

Patient's Bill of Rights Legislation

None

High Risk Health Pool

Yes – premium cap of 150%

External Grievance System

Yes but only for HMOs,

Basis for Filing Grievance

Investigational treatment appeals, medical necessity, violation of prompt-pay laws

Status of Decision of Grievance Panel

Binding

Prompt Payment of Health Claim Requirement

Yes – hard copy 45 days

- electronic 30 days

Commentary

- Substance abuse: if policy covers treatment, must include care at community health center or licensed psychiatric hospital. Optional.¹

Mental Health Coverage

- If policy includes treatment of mental illness, must reimburse for services at community health center or by a psychologist. Optional.²
- Dependents covered from the moment of birth, including coverage for congenital defects or birth abnormalities. Dependents who are mentally retarded or physically handicapped chiefly dependent on the participant and incapable of self-sustaining employment are covered, subject to periodic checks.³
- If an insurer cancels or declines to renew a group accident and sickness policy for reasons other than fraud or failure to pay premium and issues a new policy to the same policyholder within one year after cancellation, the insurer must accept for coverage an individual who was covered under the old policy and has continued to meet the requirements for membership in the group. The insurer may not exclude

or limit the coverage to the individual or individual's dependents due to evidence of insurability.

- Insured and self-funded plans which contract with prepaid health care delivery plans must provide insured individuals with coverage for breast cancer diagnostic services, breast cancer outpatient treatment services, and breast cancer rehabilitative services. The coverage under self-funded plans must also provide reimbursement for breast cancer screening mammographies.

MEWA Regulation

The state of Indiana enacted a MEWA statute⁴ in February of 1992. The basic thrust of the statute is to require the MEWA to be registered. To not be registered is to violate the statute.

For the MEWA to be registered the plan of benefits, which is the subject of the MEWA, must be filed and approved by the Indiana Insurance Commissioner.

The Commissioner is empowered by the statute to examine each Indiana MEWA at least every five years at the expense of such MEWA. Refusal to be examined is the same as being shut down.

It's an Indiana misdemeanor to operate an unsound MEWA; also, it is a misdemeanor to fail to notify the Commissioner of an unsound MEWA.

A carrier must not issue a stop-loss contract to an unlicensed MEWA; an agent must not sell any plans of an unlicensed MEWA.

The Commissioner shall promulgate rules and regulations to enforce the statute.
Single employer plans are exempt.

TPA Regulations

Indiana adopted an administrator law in 1980.⁵

- Taxes and fees – initial and renewal filing fee is \$50.
- Records –five year retention.
- TPA must file a surety bond with the Commissioner or furnish a certificate of deposit for the amount no less than 10% of total funds handled or 25,000 whichever is greater, up to a maximum of \$200,000. Such bond requirement is discretionary with the Insurance Commissioner. Bonding requirement is on funds handled for Indiana residents. If an administrator is covered by a bond required by ERISA, the administrator's bond coverage will be deemed to meet this requirement; but only to the extent that the administrator is providing services for the benefit of such employee benefit plans. Any administrator seeking to have bond coverage under ERISA deemed to meet the requirements under this provision must provide (1) verification to the Commissioner, annually at the time of submission of the administrator's application, by attaching a copy of the bond or bonds to the affidavit, (2) the amount of funds handled in the preceding calendar year, and (3) the percentage of funds handled directly attributable to ERISA.
- Registration – TPA must register each year; need resumes and financials; administrative agreements with insurers must be filed.
- Audited financial statement prepared consistent with GAAP and certified by a CPA accordingly and

dollar amount of premium and/or claims handled for Indiana residents must accompany the registration and renewal forms.

The Indiana Insurance Commissioner may revoke or suspend a TPA for incompetency, untrustworthiness, financial irresponsibility, or poor reputation.

Stop-Loss Regulation

No regulation is reported.

Utilization Review Regulations

Agency Responsible ⁶	Dept. of Insurance
Requirements	Licensure
Exemptions	Provider internal reviews
Waivers	If firm is URAC-approved
Comments	Such firm must base their decision on the Appropriateness of health care services delivered To the enrollee and require them to include detailed Information of a medical review determination Based on the appropriateness of the amount Charged for the service.

Miscellaneous

State Premium Taxes

Commercial insurers are taxed at 2%. Blue Cross and HMOs are not taxed at all.

Small Group Reform

None

MSA Legislation⁷

Who May Establish	Must be established through employer
Tax Treatment	Principal, interest, and amounts expended for medical Expenses are tax-exempt
Policy Deductible	\$1,000-\$5,000 minimax for both individuals and families
Max. Annual Deposit	\$5,000
Non-Medical Withdrawals	Withdrawn at end of plan year, there is no penalty; otherwise, 10% penalty
Eligible Medical Expenses.....	Tracks IRC §213

Endnotes

¹ Ind Code § 27-8-5-15.5.

² Id.

³ Ind Code §§ 27-8-5-2 (a)(3) and 27-8-2(a)(8).

⁴ Ind Code §§ 27-1-34-1 to 27-1-34-10.

⁵ Ind Code § 27-1-25-1 to 27-1-25-15.

⁶ Ind Code § 27-8-17-1 *et seq.*; Ind. Admin. Code, tit. 760R § 46(1995).

⁷ Ind Code § 6-8011 *et seq.*