

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3901-8-11
Rule Type: Amendment
Rule Title/Tagline: Unfair health claim practices.
Agency Name: Department of Insurance
Division:
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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/30/2018
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3901.041, 3901.20, 3901.21, 3901.38 to 3901.3813
5. **What statute(s) does the rule implement or amplify?** 3901.20, 3901.21, 3901.22, 3901.38 to 3901.3813
6. **What are the reasons for proposing the rule?**

This rule is being reviewed as a part of the agency five year rule review.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The purpose of this rule is to define certain additional unfair trade practices and to set forth minimum standards in connection with the investigation and disposition of health claims arising under policies, certificates or contracts issued pursuant to Ohio's

insurance statutes, rules and regulations under Titles XVII and XXXIX of the Revised Code. Nothing herein shall be construed to create or imply a private cause of action for violation of this rule.

The proposed changes to the rule include the amendment of paragraph (I) "Claim Denial Dispute Procedure" which clarifies the claim denial dispute procedure for any plan that is not defined in division (P) of section 3922.01 of the Revised Code as a "Health Plan Issuer". Additionally, paragraph (I)(2) of this rule was amended to further clarify the complaint procedure process.

8. **Does the rule incorporate material by reference? No**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

11. **As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

This will have no impact on revenues or expenditures.

0.00

Not applicable.

12. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not applicable.

13. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? Yes

16. Does this rule have an adverse impact on business? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? Yes

Under paragraph (J) of this rule, the superintendent may impose sanctions according to section 3901.3812 of the Revised Code for any violation of paragraphs (D)(1) or (D)(4) of this rule. All other violations of this rule are considered unfair and deceptive practices within the meaning of section 3901.21 of the Revised Code and are subject to penalties set forth in section 3901.22 of the Revised Code. Paragraph (J) of this rule also states that any agreement consented to pursuant to division (G) of section 3901.22 of the Revised Code may include the recovery of the costs of the investigation in addition to the penalty so agreed.

C. Does this rule require specific expenditures or the report of information as a condition of compliance? No