

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:

Address: 50 W Town Street Suite 300 Columbus OH 43215

Contact: Tina Chubb **Phone:** (614) 728-1044

Email: Tina.Chubb@insurance.ohio.gov

I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/31/2023
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. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
 - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

This rule is being reviewed as a part of the agency five-year rule review.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

Consumers and providers in Ohio can file claim disputes with their respective insurance companies if they believe that claim was wrongly denied. The rule sets uniform standards that health insurance companies must follow when denying a health insurance claims, including explaining the reason they are denying payment of the claim and the complaint procedure available to the insured and providers.

The proposed amendments will reduce regulatory restrictions.

9. **Does the rule incorporate material by reference? No**
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

11. **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

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

Not applicable.

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

Health insurance issuers are impacted by this rule. Staff time and resources are required to comply with the general claims practices set forth by this rule. Since the rule is already in existence, insurers are already meeting the provisions of the rule, those staff and resources appear to already be in place.

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

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**
16. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not applicable.

III. Common Sense Initiative (CSI) Questions

17. **Was this rule filed with the Common Sense Initiative Office? Yes**
18. **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? Yes**

This rule applies to authorized health insurers.

- 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**

The superintendent may impose sanctions according to section 3901.3812 of the Revised Code for violations of paragraph (D)(1) or (D)(4) of this rule. All other violations of this rule are unfair and deceptive practices within the meaning of section 3901.21 of the Revised Code and are subject to the penalties set forth in section 3901.22 of the Revised Code. 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? Yes**

Each third-party payer shall maintain complete documentation of every claim for a period of three years. The documentation shall be sufficient to permit complete reconstruction of the third-party payer's activities and communications with respect to each claim. Documentation shall include the date of each activity or communication. All documentation shall be reproducible to paper.

- D. **Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No**

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

A. How many new regulatory restrictions do you propose adding to this rule? 0

B. How many existing regulatory restrictions do you propose removing from this rule? 5

(A) - shall

(F) - shall

(F) - shall

(K) - shall not

(K) - Shall

C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable