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Indiana House Enrolled Act (HEA) 1004

Background

In March 2020, Indiana legislators passed HEA 1004 in an effort to increase price transparency, eliminate “surprise billing,” and provide good faith estimates of cost of services to patients before they are rendered. This bill has been controversial since its inception and comes in the wake of nation-wide efforts to achieve similar results, albeit with varied approaches. Although this bill has been officially signed into law already, the Indiana Hospital Association, amongst others, has advocated for some changes to be implemented to the law and to have the date of enforcement be pushed back from July 1st, 2020 to July 1st, 2021 for all sections of the law. The Governor has yet to render a decision regarding these requests, and, until such a decision is made, practitioners should proceed on the assumption that the legislation will be enforced forthwith.

Summary

In regard to “surprise billing,” HEA 1004 limits out-of-network (OON) providers from charging anything in excess of the average in network rates determined by a covered individual’s insurance plan if they are provided in an in-network facility, unless the following has been met:

- At least 5 days in advance of providing services, the patient is given a good faith estimate of the charges and is informed in writing that the facility or practitioner expects to charge them more than is covered by their network plan

AND

- The covered individual signs a statement agreeing to paying the higher rate

These provisions come with additional requirements and create some practical difficulties. If the two conditions above are not met, the practitioner must provide a statement in 14-point font or larger that informs the patient they are not required to pay anything in addition to their network rates, plus any applicable copayment, deductible, or coinsurance. If the rates exceed what the practitioner originally estimated, then the patient must be provided an explanation of why the bill is higher than expected in writing. In many instances, providers do not meet face to face with patients and/or have many factors that determine what services will be provided, which cannot be determined prior to the procedure. Naturally, this makes it exceedingly difficult, sometimes impossible, to fully comply with the requirements of the law as written.

The bill also includes language requiring facilities to have a “conspicuous” statement posted in every waiting room acknowledging that patients always reserve the right to request a good faith estimate for nonemergency medical services and agreeing to provide that estimate within 5 business days of the request.



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As written, there has been some confusion over what the effective date is for specific aspects of this law, especially since the summary of the law does not mention a 2020 effective date. It seems that facilities may have until July 1st, 2021 to implement the “conspicuous” sign allowing requests for and fulfilling good faith estimates, but practitioners are advised to implement and comply with the new provisions of the law as soon as possible to avoid violating these new and sometimes confusing regulations.

As stated earlier, advocates are still pushing for the effective date to be pushed back to July 1st, 2021 for the entire bill, as well as make alterations to some of the less reasonable provisions. APS will continue to closely monitor these developments and will likely post an update once Indiana’s Governor has made a decision regarding this request. If you have any questions on how this legislation may impact your business and billing practices, please contact your Practice Manager.