



## INFORMATIONAL MEMORANDUM

OIR-09-06M

ISSUED

SEPTEMBER 16, 2009

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

### ALL LIFE AND HEALTH INSURERS

*The purpose of this memorandum is to notify insurers of the legislative changes to Sections 627.638, Florida Statutes (F.S.), enacted in the 2009 Regular Session of the Florida Legislature. This notice is not intended to be a comprehensive analysis of the bill. You are encouraged to review specific bills found by legislative bill number at [www.leg.state.fl.us](http://www.leg.state.fl.us).*

### SENATE BILL 1122 (Chapter 2009-124, Laws of Florida)

This bill became effective July 1, 2009.

#### Section 1

Amends Section 627.638, F.S., to require insurers to make payments directly to any provider not under contract with the insurer if the insured makes a written assignment of benefits. Under the old law, direct payments by an insurer were only required for emergency services and care. The bill retains the requirement that payment from the insurer to the provider may not be more than the amount the insurer would have paid (to the insured) if an assignment had not been executed. The bill prohibits insurance contract provisions that would limit the direct payment to providers. According to the bill analyses prepared by the legislature (under the "Senate" section at [www.leg.state.fl.us](http://www.leg.state.fl.us)), this bill continues to allow out-of-network providers the option to balance bill the insured for the difference between the amount paid by the insurer and the amount charged by the out-of-network provider.

#### Section 2

The bill further provides that this act is repealed on July 1, 2012 if the Office of Program Policy Analysis and Government Accountability (OPPAGA) determines, through a study, that the act causes the state group health plan to suffer a net loss of physicians from its preferred provider plan network and, as a direct result, causes an increase in costs to the state group health plan.

If you have questions, please contact Gary Edenfield, Senior Management Analyst Supervisor, [gary.edenfield@floir.com](mailto:gary.edenfield@floir.com) or (850) 413-5134, Life and Health Product Review, Florida Office of Insurance Regulation.