

Assignment of Benefits – Patient’s Choice

Studies

Florida

- Florida AoB law 2009 revision includes a requirement to study impact on networks and costs to state group health plan.

Florida has a law requiring insurers to comply with patient’s assignment of benefits (AoB). In 2005, [House Bill 811](#) added dentists to the list of health care providers affected under this law. The law was revised in 2009 via [Senate Bill 1122](#) to specifically include “other person who provided the services in accordance with the provisions of the policy” to the list of providers affected under the AoB law. In addition to that revision, the new law required a study to be conducted and reported to the legislature no later than March 1, 2012. If the specific revisions made in SB 1122 cause the third-party administrator of the state group health plan to suffer a net loss of physicians from its preferred provider plan network and, as a direct result, cause an increase in costs to the state group health plan, the specific amendments made in SB 1122 would be repealed, and the status of the law would revert back to 2009 status (which would still include dentists).

Study/Report

- Findings show no loss in network physicians and cost increases cannot be directly linked to revised AoB law.

The Florida Office of Program Policy Analysis and Government Accountability issued report number 12-01 entitled: [Negative Effects on the State’s Third Party Provider Network from 2009 Law Not Apparent](#). The summary reports that: “Statutory changes made by the 2009 Legislature that require the state group health plan’s third party administrator to directly pay non-network providers for services did not result in a loss of network physicians.” Further the summary says: “...increased costs cannot be directly linked to the 2009 law because many factors contribute to rising health care costs.”

Maryland

- Bars insurers from prohibiting assignment of benefits. Requires study of impact of direct reimbursement, the impact of not allowing insurers to refuse assignments and impact on networks.

[Senate Bill 314](#) was enacted in Maryland in 2010, but implementation was delayed. SB 314 prohibits insurers from barring assignment of benefits to a physician and prohibits insurers from refusing to directly reimbursing a non-preferred provider under an assignment of benefits arrangement.

The General Assembly delayed implementation until July 1, 2011 to address uncertainties on impact. Prior to the implementation of law, the Maryland Health

Care Commission, in consultation with the Maryland Insurance Administration and the Office of the Attorney General, was tasked with a study of:

1. the benefits and costs associated with the direct reimbursement of nonparticipating providers by health insurance carriers under a valid assignment of benefits;
2. the impact of enacting a cap on balance billing for non-preferred, on-call physicians and hospital-based physicians;
3. the impact on consumers of prohibiting health insurance carriers from refusing to accept a valid assignment of benefits; and
4. the impact of requiring direct reimbursement of nonparticipating providers by health insurance carriers on a health insurance carrier's ability to maintain an adequate number of primary and specialty providers in their networks, including the impact on billed charges, allowed charges, and patient responsibility for remaining charges, by specialty.

In addition to the study required under the bill, the Maryland governor requested additional information concerning the impact of assignment of benefits on provider networks and fee schedules, taking into account information from other states and Maryland's experience with health maintenance organizations (HMOs).

Study/Report

The PDF of the report is found [here](#). The report also may be found [here](#) under "Life and Health 2010 to present" entitled: MIA Report on Assignment of Benefits.

- "...the reported similarity in provider networks for HMOs and carriers under the same holding company suggests that policy provisions on assignment of benefits and balance billing are not in and of themselves predictive of the size of a network for hospital-based physicians."