

5849

Sponsor(s): Senator Benton

Brief Title: Providing for payment of health care providers in the event of a health insurer's insolvency.

SB 5849 - DIGEST

Requires every health care service contractor and health maintenance organization obtaining certification from the insurance commissioner to provide and maintain a funded reserve of an amount equal to the sum of one month's premiums as reported on the most recent financial statement filed with the commissioner's office.

Provides that assets in the funded reserve must be used for the sole purpose of reimbursing health care providers for the cost of products and services incurred on behalf of enrollees in the event of insolvency.

Provides that all income from the funded reserve on deposit with the commissioner belongs to the depositing health care service contractor and must be paid to it as it becomes available.