

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6800**  
**BILL NUMBER: SB 178**

**NOTE PREPARED:** Dec 26, 2025  
**BILL AMENDED:**

**SUBJECT:** Payment of Insurance Claims.

**FIRST AUTHOR:** Sen. Jackson L  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that an insurer may not adjust a subsequent claim filed by a provider as a method of obtaining reimbursement of an overpayment made by the insurer on a prior claim by the provider. It provides that a health maintenance organization (HMO) may not adjust a subsequent claim filed by a provider as a method of obtaining reimbursement of an overpayment made by the HMO on a prior claim by the provider.

This bill provides that an insurer may not, more than one year after the date on which an overpayment on a provider claim was made to the provider by the insurer, request that the provider repay the overpayment (current law is two years). It provides that an HMO may not, more than one year after the date on which an overpayment on a provider claim was made to the provider by the HMO, request that the provider repay the overpayment (current law is two years). It also makes conforming changes.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The bill's requirements will increase workload for the Indiana Department of Insurance (DOI) to ensure compliance, but should be able to be implemented using existing staffing and resources.*[The DOI is funded through a dedicated agency fund.]*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill provides restrictions on how and when an insurer may be reimbursed for any overpayments the insurer made to a provider. If the bill reduces the amount of overpayments collected from locally owned hospitals, then expenditures for the hospitals will decrease.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:** Locally owned hospitals.

**Information Sources:**

**Fiscal Analyst:** Jason Barrett, 317-232-9809.