

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

LS 6811
BILL NUMBER: SB 189

NOTE PREPARED: Feb 19, 2026
BILL AMENDED: Feb 17, 2026

SUBJECT: Nonparticipating Providers.

FIRST AUTHOR: Sen. Baldwin
FIRST SPONSOR: Rep. Barrett

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Independent Dispute Resolution:* This bill requires an initiating party that submits a request for independent dispute resolution to provide written notice to the facility not later than three business days after submitting the request. It allows a health carrier to provide notice to an out of network provider and a facility if, during any 90 day period, an initiating party submits requests for independent dispute resolutions that, in the aggregate, include 25 or more qualified disputes. It also provides that if a health carrier provides the notice, the health carrier, the out of network provider, and the facility shall engage in good faith efforts to negotiate a resolution.

Administrative Fee and Penalty Prohibition: This bill prohibits a health carrier from assessing a facility or a provider an administrative fee or penalty related to the provision of care to an individual that involves an out of network provider. It provides that if a health carrier assesses a facility or a provider an administrative fee or penalty related to the provision of care to an individual that involves an out of network provider, the health carrier commits an unfair and deceptive act or practice in the business of insurance.

Effective Date: Upon passage.

Explanation of State Expenditures: The bill's requirements regarding independent dispute resolutions (IDR), as well as prohibition of certain administrative fees and penalties, will have an indeterminate impact on expenditures for the State Employee Health Plan. Any resulting impact will depend, in part, on good faith negotiations with health care providers.

The bill's requirements will increase workload for the Indiana Department of Insurance (DOI) to ensure compliance, publish required information on the agency's website, and seek corrective action for violations of the bill's IDR provisions. These requirements should be able to be implemented using existing staffing and resources. *[The DOI is funded through a dedicated agency fund.]*

The bill will also increase workload for certain healthcare-based professional licensing boards regarding violations of the bill's IDR provisions. This should be able to be implemented within the typical meeting schedules of the boards.

Explanation of State Revenues: *Administrative Fee and Penalty Prohibition:* A health carrier that violates the bill's provisions regarding administrative fees and penalties commits an unfair and deceptive act. If this bill increases the number of unfair and deceptive acts discovered by the DOI, revenue to the state General Fund will increase from civil penalties paid by violators. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty between \$25,000 and \$50,000 for each act or violation and (2) revocation of a person's license or certificate of authority if they knowingly engaged in an unfair or deceptive act.

Independent Dispute Resolution: For an out-of-network provider that submits a request for IDR but fails to provide the required written notice, the appropriate professional board may censure or issue a letter of reprimand to the practitioner, or for repeated or persistent violations, may issue a fine of up to \$5,000 per violation to be deposited into the state General Fund.

For a health carrier that submits a request for IDR but fails to provide the required written notice, the DOI may issue an order to correct the action. If corrective action is not taken within 30 days, an action shall be brought by the DOI in the Marion County Circuit Court. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would be \$122. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: *Administrative Fee and Penalty Prohibition:* The bill prohibits health carriers from assessing health provider facilities with an administrative fee or penalty in certain circumstances, which may reduce expenditures for locally owned hospitals.

Explanation of Local Revenues: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Indiana Department of Insurance; healthcare-based professional licensing boards.

Local Agencies Affected: Locally owned hospitals; Marion County Circuit Court.

Information Sources: IC 25-1-9-9; IC 27-1-3-19; Indiana Supreme Court, Indiana Trial Court Fee Manual.

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