
SENATE BILL No. 189

AM018907 has been incorporated into January 23, 2026 printing.

Synopsis: Nonparticipating providers.

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SB 189—LS 6811/DI 154



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January 23, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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SENATE BILL No. 189

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-45-8.5 IS ADDED TO THE INDIANA
- 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) This section applies to**
- 4 **facility based services that are subject to this chapter.**
- 5 **(b) As used in this section, "health carrier" has the meaning**
- 6 **set forth in IC 27-1-36.8-2.**
- 7 **(c) Subject to the limitations set forth in subsections (d)**
- 8 **through (g), a health carrier may assess an administrative fee or**
- 9 **penalty not to exceed ten percent (10%) of the allowed amount of**
- 10 **the facility's claim against a facility for the use of an out of network**
- 11 **practitioner in a facility based setting.**
- 12 **(d) A health carrier may not assess an administrative fee or**
- 13 **penalty under subsection (c) if:**
- 14 **(1) the services are emergency services;**
- 15 **(2) the facility is:**
- 16 **(A) a rural hospital (as defined in 410 IAC 15-1.1-19.5);**
- 17 **(B) a critical access hospital that meets the criteria**

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- 1 under 42 CFR 485.601 through 42 CFR 485.647; or
- 2 (C) an acute care hospital that is at or above the
- 3 seventy-fifth percentile of the proportion of Medicare
- 4 beneficiaries who are dually eligible for Medicare and
- 5 Medicaid, as determined by the Centers for Medicare
- 6 and Medicaid Services;
- 7 (3) an in network practitioner was not available to furnish
- 8 the service within a distance of not more than twenty-five
- 9 (25) miles from a covered individual's residence;
- 10 (4) the health carrier granted prior authorization for the use
- 11 of an out of network practitioner in the facility based setting;
- 12 or
- 13 (5) the health carrier has not complied with subsections (e)
- 14 through (g).
- 15 (e) Before assessing an administrative fee or penalty under this
- 16 section, a health carrier shall do the following:
- 17 (1) Provide written notice to the facility that includes the
- 18 following:
- 19 (A) A description of the conduct that is the basis for the
- 20 proposed fee or penalty, including applicable dates of
- 21 service.
- 22 (B) Identification of each out of network practitioner
- 23 involved, including the practitioner's name and national
- 24 provider identifier, if known.
- 25 (C) The amount of the proposed fee or penalty and the
- 26 methodology used to calculate the amount.
- 27 (D) A description of the actions that will constitute a
- 28 cure.
- 29 (E) The name and contact information of a
- 30 representative authorized to negotiate on behalf of the
- 31 health carrier.
- 32 (2) Deliver the notice by electronic mail to an address
- 33 designated by the health provider facility and by certified
- 34 mail.
- 35 (3) Allow a sixty (60) day cure period that begins on the date
- 36 the health provider facility receives the notice.
- 37 (f) A health carrier may not assess an administrative fee or
- 38 penalty during the cure period related to conduct described in the
- 39 notice under subsection (e).
- 40 (g) For purposes of subsections (e) and (f), a cure is satisfied
- 41 when:
- 42 (1) the health carrier and the facility engage in good faith

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- 1 **efforts to negotiate a resolution, including:**
- 2 (A) at least one (1) conference between authorized
- 3 representatives; and
- 4 (B) a reasonable exchange of information necessary to
- 5 evaluate and address the conduct described in the notice
- 6 under subsection (e); and
- 7 (2) within the cure period, the health carrier and facility
- 8 agree upon a resolution to the conduct described in the notice
- 9 under subsection (e).
- 10 (h) If a health carrier assesses an administrative fee or penalty
- 11 under subsection (c) in violation of the limitations set forth in
- 12 subsections (d) through (g), the health carrier commits an unfair
- 13 and deceptive act or practice in the business of insurance under
- 14 IC 27-4-1-4 and is subject to the penalties and procedures set forth
- 15 in IC 27-4-1.
- 16 (i) An out of network provider that submits a request for
- 17 independent dispute resolution under 42 U.S.C. 300gg-111 shall
- 18 provide notice to the health provider facility not later than
- 19 twenty-four (24) hours after submitting the request.
- 20 (j) The notice required under subsection (i) must include the
- 21 following:
- 22 (1) The date of service.
- 23 (2) The facility at which the service was provided.
- 24 (3) The out of network practitioner's name and national
- 25 provider identifier.
- 26 (4) The service codes submitted to independent dispute
- 27 resolution.
- 28 (5) The billed charges.
- 29 (6) The qualifying payment amount.
- 30 (7) The date the independent dispute resolution request was
- 31 submitted.
- 32 (8) The independent dispute resolution entity selected or
- 33 proposed.
- 34 (9) A written attestation, signed by the out of network
- 35 practitioner, that the independent dispute resolution request:
- 36 (A) complies with the eligibility procedural
- 37 requirements of 42 U.S.C. 300gg-111 and 45 CFR Part
- 38 149, Subpart F;
- 39 (B) follows completion of the required open negotiation
- 40 period;
- 41 (C) is not filed outside applicable federal time limits;
- 42 (D) does not include items or services that are excluded,

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1 **improperly bundled, or otherwise ineligible for federal**
2 **independent dispute resolution; and**
3 **(E) is not barred under federal law or regulation.**

4 SECTION 2. IC 27-4-1-4, AS AMENDED BY P.L.158-2024,
5 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: Sec. 4. (a) The following are hereby defined as
7 unfair methods of competition and unfair and deceptive acts and
8 practices in the business of insurance:

9 (1) Making, issuing, circulating, or causing to be made, issued,
10 or circulated, any estimate, illustration, circular, or statement:

11 (A) misrepresenting the terms of any policy issued or to be
12 issued or the benefits or advantages promised thereby or the
13 dividends or share of the surplus to be received thereon;

14 (B) making any false or misleading statement as to the
15 dividends or share of surplus previously paid on similar
16 policies;

17 (C) making any misleading representation or any
18 misrepresentation as to the financial condition of any
19 insurer, or as to the legal reserve system upon which any
20 life insurer operates;

21 (D) using any name or title of any policy or class of policies
22 misrepresenting the true nature thereof; or

23 (E) making any misrepresentation to any policyholder
24 insured in any company for the purpose of inducing or
25 tending to induce such policyholder to lapse, forfeit, or
26 surrender the policyholder's insurance.

27 (2) Making, publishing, disseminating, circulating, or placing
28 before the public, or causing, directly or indirectly, to be made,
29 published, disseminated, circulated, or placed before the public,
30 in a newspaper, magazine, or other publication, or in the form of
31 a notice, circular, pamphlet, letter, or poster, or over any radio or
32 television station, or in any other way, an advertisement,
33 announcement, or statement containing any assertion,
34 representation, or statement with respect to any person in the
35 conduct of the person's insurance business, which is untrue,
36 deceptive, or misleading.

37 (3) Making, publishing, disseminating, or circulating, directly or
38 indirectly, or aiding, abetting, or encouraging the making,
39 publishing, disseminating, or circulating of any oral or written
40 statement or any pamphlet, circular, article, or literature which
41 is false, or maliciously critical of or derogatory to the financial
42 condition of an insurer, and which is calculated to injure any

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1 person engaged in the business of insurance.
 2 (4) Entering into any agreement to commit, or individually or by
 3 a concerted action committing any act of boycott, coercion, or
 4 intimidation resulting or tending to result in unreasonable
 5 restraint of, or a monopoly in, the business of insurance.
 6 (5) Filing with any supervisory or other public official, or
 7 making, publishing, disseminating, circulating, or delivering to
 8 any person, or placing before the public, or causing directly or
 9 indirectly, to be made, published, disseminated, circulated,
 10 delivered to any person, or placed before the public, any false
 11 statement of financial condition of an insurer with intent to
 12 deceive. Making any false entry in any book, report, or statement
 13 of any insurer with intent to deceive any agent or examiner
 14 lawfully appointed to examine into its condition or into any of its
 15 affairs, or any public official to which such insurer is required by
 16 law to report, or which has authority by law to examine into its
 17 condition or into any of its affairs, or, with like intent, willfully
 18 omitting to make a true entry of any material fact pertaining to
 19 the business of such insurer in any book, report, or statement of
 20 such insurer.
 21 (6) Issuing or delivering or permitting agents, officers, or
 22 employees to issue or deliver, agency company stock or other
 23 capital stock, or benefit certificates or shares in any common law
 24 corporation, or securities or any special or advisory board
 25 contracts or other contracts of any kind promising returns and
 26 profits as an inducement to insurance.
 27 (7) Making or permitting any of the following:
 28 (A) Unfair discrimination between individuals of the same
 29 class and equal expectation of life in the rates or
 30 assessments charged for any contract of life insurance or of
 31 life annuity or in the dividends or other benefits payable
 32 thereon, or in any other of the terms and conditions of such
 33 contract. However, in determining the class, consideration
 34 may be given to the nature of the risk, plan of insurance, the
 35 actual or expected expense of conducting the business, or
 36 any other relevant factor.
 37 (B) Unfair discrimination between individuals of the same
 38 class involving essentially the same hazards in the amount
 39 of premium, policy fees, assessments, or rates charged or
 40 made for any policy or contract of accident or health
 41 insurance or in the benefits payable thereunder, or in any of

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the terms or conditions of such contract, or in any other manner whatever. However, in determining the class, consideration may be given to the nature of the risk, the plan of insurance, the actual or expected expense of conducting the business, or any other relevant factor.

(C) Excessive or inadequate charges for premiums, policy fees, assessments, or rates, or making or permitting any unfair discrimination between persons of the same class involving essentially the same hazards, in the amount of premiums, policy fees, assessments, or rates charged or made for:

- (i) policies or contracts of reinsurance or joint reinsurance, or abstract and title insurance;
- (ii) policies or contracts of insurance against loss or damage to aircraft, or against liability arising out of the ownership, maintenance, or use of any aircraft, or of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance; or
- (iii) policies or contracts of any other kind or kinds of insurance whatsoever.

However, nothing contained in clause (C) shall be construed to apply to any of the kinds of insurance referred to in clauses (A) and (B) nor to reinsurance in relation to such kinds of insurance. Nothing in clause (A), (B), or (C) shall be construed as making or permitting any excessive, inadequate, or unfairly discriminatory charge or rate or any charge or rate determined by the department or commissioner to meet the requirements of any other insurance rate regulatory law of this state.

(8) Except as otherwise expressly provided by IC 27-1-47 or another law, knowingly permitting or offering to make or making any contract or policy of insurance of any kind or kinds whatsoever, including but not in limitation, life annuities, or agreement as to such contract or policy other than as plainly expressed in such contract or policy issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends, savings, or other benefits thereon, or any valuable consideration or inducement whatever not

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1 specified in the contract or policy; or giving, or selling, or
 2 purchasing or offering to give, sell, or purchase as inducement
 3 to such insurance or annuity or in connection therewith, any
 4 stocks, bonds, or other securities of any insurance company or
 5 other corporation, association, limited liability company, or
 6 partnership, or any dividends, savings, or profits accrued
 7 thereon, or anything of value whatsoever not specified in the
 8 contract. Nothing in this subdivision and subdivision (7) shall be
 9 construed as including within the definition of discrimination or
 10 rebates any of the following practices:

11 (A) Paying bonuses to policyholders or otherwise abating
 12 their premiums in whole or in part out of surplus
 13 accumulated from nonparticipating insurance, so long as
 14 any such bonuses or abatement of premiums are fair and
 15 equitable to policyholders and for the best interests of the
 16 company and its policyholders.

17 (B) In the case of life insurance policies issued on the
 18 industrial debit plan, making allowance to policyholders
 19 who have continuously for a specified period made
 20 premium payments directly to an office of the insurer in an
 21 amount which fairly represents the saving in collection
 22 expense.

23 (C) Readjustment of the rate of premium for a group
 24 insurance policy based on the loss or expense experience
 25 thereunder, at the end of the first year or of any subsequent
 26 year of insurance thereunder, which may be made
 27 retroactive only for such policy year.

28 (D) Paying by an insurer or insurance producer thereof duly
 29 licensed as such under the laws of this state of money,
 30 commission, or brokerage, or giving or allowing by an
 31 insurer or such licensed insurance producer thereof
 32 anything of value, for or on account of the solicitation or
 33 negotiation of policies or other contracts of any kind or
 34 kinds, to a broker, an insurance producer, or a solicitor duly
 35 licensed under the laws of this state, but such broker,
 36 insurance producer, or solicitor receiving such
 37 consideration shall not pay, give, or allow credit for such
 38 consideration as received in whole or in part, directly or
 39 indirectly, to the insured by way of rebate.

40 (9) Requiring, as a condition precedent to loaning money upon
 41 the security of a mortgage upon real property, that the owner of

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1 the property to whom the money is to be loaned negotiate any
 2 policy of insurance covering such real property through a
 3 particular insurance producer or broker or brokers. However, this
 4 subdivision shall not prevent the exercise by any lender of the
 5 lender's right to approve or disapprove of the insurance company
 6 selected by the borrower to underwrite the insurance.

7 (10) Entering into any contract, combination in the form of a
 8 trust or otherwise, or conspiracy in restraint of commerce in the
 9 business of insurance.

10 (11) Monopolizing or attempting to monopolize or combining or
 11 conspiring with any other person or persons to monopolize any
 12 part of commerce in the business of insurance. However,
 13 participation as a member, director, or officer in the activities of
 14 any nonprofit organization of insurance producers or other
 15 workers in the insurance business shall not be interpreted, in
 16 itself, to constitute a combination in restraint of trade or as
 17 combining to create a monopoly as provided in this subdivision
 18 and subdivision (10). The enumeration in this chapter of specific
 19 unfair methods of competition and unfair or deceptive acts and
 20 practices in the business of insurance is not exclusive or
 21 restrictive or intended to limit the powers of the commissioner
 22 or department or of any court of review under section 8 of this
 23 chapter.

24 (12) Requiring as a condition precedent to the sale of real or
 25 personal property under any contract of sale, conditional sales
 26 contract, or other similar instrument or upon the security of a
 27 chattel mortgage, that the buyer of such property negotiate any
 28 policy of insurance covering such property through a particular
 29 insurance company, insurance producer, or broker or brokers.
 30 However, this subdivision shall not prevent the exercise by any
 31 seller of such property or the one making a loan thereon of the
 32 right to approve or disapprove of the insurance company selected
 33 by the buyer to underwrite the insurance.

34 (13) Issuing, offering, or participating in a plan to issue or offer,
 35 any policy or certificate of insurance of any kind or character as
 36 an inducement to the purchase of any property, real, personal, or
 37 mixed, or services of any kind, where a charge to the insured is
 38 not made for and on account of such policy or certificate of
 39 insurance. However, this subdivision shall not apply to any of
 40 the following:

41 (A) Insurance issued to credit unions or members of credit

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- 1 unions in connection with the purchase of shares in such
- 2 credit unions.
- 3 (B) Insurance employed as a means of guaranteeing the
- 4 performance of goods and designed to benefit the
- 5 purchasers or users of such goods.
- 6 (C) Title insurance.
- 7 (D) Insurance written in connection with an indebtedness
- 8 and intended as a means of repaying such indebtedness in
- 9 the event of the death or disability of the insured.
- 10 (E) Insurance provided by or through motorists service
- 11 clubs or associations.
- 12 (F) Insurance that is provided to the purchaser or holder of
- 13 an air transportation ticket and that:
- 14 (i) insures against death or nonfatal injury that occurs
- 15 during the flight to which the ticket relates;
- 16 (ii) insures against personal injury or property damage
- 17 that occurs during travel to or from the airport in a
- 18 common carrier immediately before or after the flight;
- 19 (iii) insures against baggage loss during the flight to
- 20 which the ticket relates; or
- 21 (iv) insures against a flight cancellation to which the
- 22 ticket relates.
- 23 (14) Refusing, because of the for-profit status of a hospital or
- 24 medical facility, to make payments otherwise required to be
- 25 made under a contract or policy of insurance for charges
- 26 incurred by an insured in such a for-profit hospital or other
- 27 for-profit medical facility licensed by the Indiana department of
- 28 health.
- 29 (15) Refusing to insure an individual, refusing to continue to
- 30 issue insurance to an individual, limiting the amount, extent, or
- 31 kind of coverage available to an individual, or charging an
- 32 individual a different rate for the same coverage, solely because
- 33 of that individual's blindness or partial blindness, except where
- 34 the refusal, limitation, or rate differential is based on sound
- 35 actuarial principles or is related to actual or reasonably
- 36 anticipated experience.
- 37 (16) Committing or performing, with such frequency as to
- 38 indicate a general practice, unfair claim settlement practices (as
- 39 defined in section 4.5 of this chapter).
- 40 (17) Between policy renewal dates, unilaterally canceling an
- 41 individual's coverage under an individual or group health

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- 1 insurance policy solely because of the individual's medical or
- 2 physical condition.
- 3 (18) Using a policy form or rider that would permit a
- 4 cancellation of coverage as described in subdivision (17).
- 5 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
- 6 concerning motor vehicle insurance rates.
- 7 (20) Violating IC 27-8-21-2 concerning advertisements referring
- 8 to interest rate guarantees.
- 9 (21) Violating IC 27-8-24.3 concerning insurance and health
- 10 plan coverage for victims of abuse.
- 11 (22) Violating IC 27-8-26 concerning genetic screening or
- 12 testing.
- 13 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
- 14 insurance producers.
- 15 (24) Violating IC 27-1-38 concerning depository institutions.
- 16 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning
- 17 the resolution of an appealed grievance decision.
- 18 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
- 19 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
- 20 2007, and repealed).
- 21 (27) Violating IC 27-2-21 concerning use of credit information.
- 22 (28) Violating IC 27-4-9-3 concerning recommendations to
- 23 consumers.
- 24 (29) Engaging in dishonest or predatory insurance practices in
- 25 marketing or sales of insurance to members of the United States
- 26 Armed Forces as:
 - 27 (A) described in the federal Military Personnel Financial
 - 28 Services Protection Act, P.L. 109-290; or
 - 29 (B) defined in rules adopted under subsection (b).
- 30 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
- 31 life insurance.
- 32 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 33 (32) Violating IC 27-8-5-29 concerning health plans offered
- 34 through a health benefit exchange (as defined in IC 27-19-2-8).
- 35 (33) Violating a requirement of the federal Patient Protection
- 36 and Affordable Care Act (P.L. 111-148), as amended by the
- 37 federal Health Care and Education Reconciliation Act of 2010
- 38 (P.L. 111-152), that is enforceable by the state.
- 39 (34) After June 30, 2015, violating IC 27-2-23 concerning
- 40 unclaimed life insurance, annuity, or retained asset account
- 41 benefits.

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- 1 (35) Willfully violating IC 27-1-12-46 concerning a life
- 2 insurance policy or certificate described in IC 27-1-12-46(a).
- 3 (36) Violating IC 27-1-37-7 concerning prohibiting the
- 4 disclosure of health care service claims data.
- 5 (37) Violating IC 27-4-10-10 concerning virtual claims
- 6 payments.
- 7 (38) Violating IC 27-1-24.5 concerning pharmacy benefit
- 8 managers.
- 9 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the
- 10 marketing of travel insurance policies.
- 11 (40) Violating IC 27-1-49 concerning individual prescription
- 12 drug rebates.
- 13 (41) Violating IC 27-1-50 concerning group prescription drug
- 14 rebates.
- 15 **(42) Violating IC 27-1-45-8.5 concerning an administrative**
- 16 **fee or penalty imposed on a facility by a health carrier**
- 17 **related to the provision of care to an individual that involves**
- 18 **an out of network practitioner.**
- 19 (b) Except with respect to federal insurance programs under
- 20 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
- 21 commissioner may, consistent with the federal Military Personnel
- 22 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules
- 23 under IC 4-22-2 to:
- 24 (1) define; and
- 25 (2) while the members are on a United States military
- 26 installation or elsewhere in Indiana, protect members of the
- 27 United States Armed Forces from;
- 28 dishonest or predatory insurance practices.
- 29 **SECTION 3. An emergency is declared for this act.**

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