

New Bills Would Improve Disclosure, Protect Consumers

For Immediate Release:
For More Information, Contact:

April 15, 2010
Joe Fulgham 302-744-4184

Two new bills introduced in the State House of Representatives today seek to protect healthcare consumers and improve the public's ability to track the state's use of consultants.

House Bill 366, sponsored by Rep. Deborah Hudson (R-Fairthorne), is intended to give the public more information about how their tax money is being spent. "The state spends tens-of-millions of dollars a year on outside consultants," Rep. Hudson said. "Considering the size of that investment, we know surprisingly little about who we're hiring, what we're spending, and what we're getting for our money. This bill would be a step towards filling in those blanks."

The measure would require an Internet posting of all consultants used by every state agency, including the consultant's name; address; the services provided; the cost of the contract; the length of the contract; and the name and position of the person who approved it.

"This isn't perfect, but it should provide the press and the public with a convenient way of accessing this information without filing multiple Freedom of Information Act requests. Additionally, by having this information in one place, it may provide some insight as to whether these expenses are prudent and justified," Rep. Hudson said. "I see this as both a good government bill and an open government bill."

Also introduced in the House today was a bill sponsored by State House Minority Whip Dan Short (R-Seaford) aimed at protecting healthcare insurance policy-holders.

"I was inspired to draft this bill by widely reported rumors that some healthcare insurers were allegedly denying heart stress tests to patients, even though their doctors had recommended that the tests be done," said Rep. Short, who works as an independent insurance agent. "While these anecdotal reports have since been cast into doubt, I believe that what I'm proposing will nevertheless provide a common-sense safeguard for consumers."

House Bill 367 would cover a scenario where an insurance company denies coverage for what they view as an unneeded procedure or test and the insured person pays for the work. If it is later proven that the procedure/test was "medically necessary," Rep. Short's bill would require that the insurance

company reimburse the policy-holder for all expenses, including the deductible and other out-of-pocket costs, he or she incurred.

“This is one of those situations where I was kind of surprised this was not already law,” Rep. Short said. He added that the Insurance Commissioner’s office already has the tools to put his bill into practice, should it become law. Section 2307, Title 18 of the Delaware Code contains procedures the agency can employ when there is reason to believe that an insurer has engaged in an unfair practice, such as denying legitimate claims.

Both Rep. Hudson’s and Rep. Short’s bills were part of today’s “pre-file” – a legislative mechanism that allows bills to be introduced in the State House of Representatives even though the chamber is not in session. The House returns to work after its Easter Break on April 20th.

###