

STATEMENT OF PURPOSE

RS24670C1

Idaho Code allows health insurers to not pay for health conditions or injuries that are associated with an illegal act or the use of alcohol or narcotics. No provision is made for a neutral determination of illegality nor whether the use of drugs or alcohol is a cause of the injury or condition. An insurer who believes an act to be illegal or the result of alcohol or narcotics may simply decline to pay, without review or independent confirmation of illegality. This creates a conflict since the insurer can benefit financially from the denial of a claim. This legislation would require a determination in a neutral forum before an insurer may refuse to pay for care otherwise covered under a policy of health insurance. It also specifies that a denial of coverage for use of alcohol or narcotics must be based on an illegal use of drugs or alcohol.

FISCAL NOTE

There will be no impact to the general fund. There may be a small impact to the dedicated funds within the Department of Insurance should hearings be held there. It is anticipated that there will be fewer than a half a dozen hearings in any year. The cost of a hearing officer will be the only additional expenditure of any significance.

Contact:

Ken McClure
Idaho Medical Association
(208) 388-1200