**A** **BILL**

TO AMEND SECTION 38‑71‑10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO COVERAGE THAT MAY BE WRITTEN BY A LICENSED ACCIDENT AND HEALTH INSURER, SO AS TO PROHIBIT THE INSURER FROM DIRECTLY PAYING MONEY TO AN INSURED FOR A HEALTH CARE SERVICE PROVIDED TO THE INSURED, AND TO PROVIDE EXCEPTIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑71‑10 of the 1976 Code is amended to read:

“Section 38‑71‑10. (A) ~~All~~ A licensed accident and health ~~insurers are entitled to~~ insurer must:

~~(a)~~(1) issue and deliver a service benefit ~~contracts~~ contract to provide for prepayment of ~~any~~ a health care service and to make payment directly to the provider of the ~~services~~ service, in whole or in part, including, but not limited to, a professional ~~services~~ service, ~~any~~ institutional care, a personal ~~services~~ service, and supplies~~.~~; and

~~(b)~~(2) issue and deliver ~~contracts~~ a contract of indemnity or ~~contracts~~ a contract providing for payment of money ~~directly to the insureds or for them~~ on behalf of an insured for a health care ~~services~~ service provided to an insured.

(B) Notwithstanding another provision of law, a licensed accident and health insurer may not make a payment of money directly to an insured for a health care service received by the insured.

(C) The provisions of this section do not apply to:

(1) supplemental or secondary insurance coverage; or

(2) a person who documents to the insurer that he has fully paid the health care provider for the service rendered.”

SECTION 2. This act takes effect upon approval by the Governor.

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