



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

DON SUNDQUIST
GOVERNOR

DOUGLAS M. SIZEMORE
COMMISSIONER

BULLETIN

TO: All Insurance Companies Doing Business in Tennessee

FROM: Douglas Sizemore, Commissioner, Department of Commerce and Insurance *DMS*

RE: Assignment of Benefits to Health Care Providers

DATE: July 25, 1996

It has been brought to the attention of the Department of Commerce and Insurance that written assignments of benefits to the health care providers are not being honored by insurance companies. Please note the following code section which is the current applicable Tennessee statute regarding assignments of benefits to health care providers:

56-7-120. Assignment of benefits to health care provider. Notwithstanding any provision of law, rule, or regulation to the contrary, whenever any policy of insurance issued in this state provides for coverage of health care rendered by a provider covered under title 63, the insured or other persons entitled to benefits under such policy shall be entitled to assign these benefits to the health care provider. Notice of such assignment, unless otherwise provided by contract, must be in writing to the insurer to be effective. This section applies only to assignments of benefits which were provided after July 1, 1992. As used in this section, "health care provider" means a doctor of medicine, osteopathy, chiropractic, podiatry or optometry, a pharmacist or pharmacy, a hospital, home health agency, an entity providing infusion therapy services or an entity providing medical equipment services. {Acts 1992, ch. 918, Title 1; 1993, ch. 111 Title 1.}

The last sentence of the current statute referenced above clearly requires an insurance company that has written notice of an assignment of benefits to a health care provider, including; doctor of medicine, osteopathy, chiropractic, podiatry or optometry; to protect their interest. Many of the concerns received by our department involve an automobile insurer not protecting a health care provider who has received an assignment and so notified the company on medical claims under the auto policy.

Please communicate with your respective claim departments to assure that your company is in compliance with 56-7-120 the current statute.