

**SB43 INTRODUCED**



1 SB43  
2 UJFIGXG-1  
3 By Senator Melson  
4 RFD: Banking and Insurance  
5 First Read: 04-Feb-25



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SYNOPSIS:

This bill would prohibit health insurance companies from regulating what physicians, other health care providers, and pharmacists may tell patients about the cost of the treatment or medication they are receiving, or from informing patients about alternative treatments or medications that may be lower in cost.

This bill would provide that any contractual clause prohibiting a health care provider or pharmacist from sharing information about costs and alternative treatments or medications, or penalizing a health care provider or pharmacist for providing this information, would be unenforceable.

This bill would prohibit health insurers from taking action against a health care provider or pharmacist for providing such information.

This bill would further permit a health care provider or pharmacist to recover damages from a health care insurer who takes adverse action, on the basis of a contract or otherwise.

A BILL  
TO BE ENTITLED  
AN ACT



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29  
30 Relating to health care providers; to bar enforcement  
31 of contractual provisions between health insurers and health  
32 care providers and pharmacists which forbid or penalize  
33 disclosure of information to patients about the cost and  
34 availability of treatment or drugs; to prohibit health  
35 insurers from taking adverse action against health care  
36 providers and pharmacists for disclosing cost and treatment  
37 information to patients; and to provide a civil action to  
38 health care providers and pharmacists.

39 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

40 Section 1.(a) For the purposes of this section, the  
41 following terms have the following meanings:

42 (1) HEALTH CARE PROVIDER. The term includes:

43 a. A pharmacist licensed pursuant to Chapter 23 of  
44 Title 34, Code of Alabama 1975.

45 b. A physician or other health care professional  
46 licensed pursuant to Chapter 24 of Title 34, Code of Alabama  
47 1975.

48 (2) HEALTH INSURER. An entity subject to the insurance  
49 laws of this state and the rules of the Department of  
50 Insurance of the State of Alabama, or a health maintenance  
51 organization operating pursuant to Chapter 21A of Title 27,  
52 Code of Alabama 1975, or a nonprofit hospital or health  
53 service corporation organized pursuant to Article 6, Chapter  
54 20 of Title 10A, Code of Alabama 1975, that contracts or  
55 offers to contract to provide, deliver, arrange for, pay for,  
56 or reimburse any of the costs of physical, mental, or



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57 behavioral health care services, including pharmaceutical  
58 services. The term includes a pharmacy benefits manager or  
59 pharmacy benefits manager affiliate subject to the licensure  
60 requirements of Chapter 45A of Title 27, Code of Alabama 1975,  
61 or any other entity providing a plan of health insurance,  
62 health benefits, or health services.

63 (3) INDIVIDUAL. A patient of a physician or other  
64 health care professional or a customer of a pharmacist.

65 (b) Subject to the limitations set in Sections 34-23-8  
66 and 34-23-8.1, Code of Alabama 1975, a health care provider,  
67 in the scope of his or her professional practice, may provide  
68 an individual with any of the following information:

69 (1) The estimated cost of a treatment or drug,  
70 including the cost in the absence of insurance coverage; the  
71 allowed amount for payment or reimbursement under a plan of  
72 health benefits; and an individual's cost-sharing amount, such  
73 as a deductible, copayment, or coinsurance.

74 (2) A treatment or drug that is less expensive than the  
75 treatment or drug under consideration between the health care  
76 provider and the individual.

77 (3) The availability of a treatment or drug that is an  
78 alternative to the treatment or drug under consideration  
79 between the health care provider and the individual, including  
80 the off-label use of the treatment or drug, provided that it  
81 is within the standard of care for treatment of the disease,  
82 condition, or symptom of the individual.

83 (c) (1) A health insurer may not cancel or refuse to  
84 renew a contract with a health care provider, or penalize or



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85 take any adverse action against a health care provider,  
86 regardless of whether the penalty or adverse action is  
87 provided for in a contract, or otherwise retaliate against a  
88 health care provider, as a result of the health care provider  
89 providing an individual with any information described in  
90 subsection (b).

91 (2) Any provision in a contract between a health  
92 insurer and a health care provider that prohibits a health  
93 care provider from providing an individual with the  
94 information described in subsection (b), or which otherwise  
95 imposes any penalty, adverse consequence, or monetary  
96 disincentive on a health care provider for providing an  
97 individual with the information described in subsection (b),  
98 is unenforceable in the courts of the State of Alabama.

99 (d) A health care provider who suffers adverse action  
100 as described in subsection (c) may bring an action against a  
101 health insurer in the circuit court of the county in which the  
102 contract with the health insurer is performed by the health  
103 care provider, for the following:

- 104 (1) Actual damages.
- 105 (2) Equitable relief.
- 106 (3) Reasonable costs and attorney fees.

107 Section 2. This act shall become effective on October  
108 1, 2025.