

Spotlight on State: Tennessee

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See [Tennessee](#) page.

The Tennessee Legislature has been active in promoting price transparency in health care. The state passed the Tennessee Right to Shop Act in 2019 to induce consumer price shopping. An insurance carrier is allowed to provide incentives for enrollees who elect to receive a comparable healthcare service from a network provider, for at least 50% of the carrier's saved costs for each comparable healthcare service. To protect consumers from surprise or balance billing, the state enacted legislation that requires at least three days notice to an insured for services from an out-of-network facility-based physician and prohibits healthcare providers from collecting out-of-network charges from an insured unless they provide written notice to the insured. Additionally, the law requires annual coverage assessments on hospitals for price transparency among health care providers. However, while the state passed legislation to establish an all-payer claims database, there are no active implementation efforts.

In the provider market, Tennessee requires healthcare specific notice of the sale or conveyance of all public benefit hospitals to the attorney general, with review criteria based on access to affordable care or adverse effect on the cost of services. The state additionally limits non-compete terms in physician contract to no more than 2 years. It also exempts physicians specializing in emergency medicine and any contract. terms entered into during the purchase of sale of a physician practice.

To promote telehealth services, Tennessee law provides that a health insurance entity shall provide coverage for healthcare services provided during a telehealth encounter in a manner that is consistent with what the health insurance policy or contract provides for in-person encounters for the same service, and shall reimburse for healthcare services provided during a telehealth encounter without distinction or consideration of the geographic location.