STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2014

A N A C T
RELATING TO INSURANCE - HEALTH INSURANCE

Introduced By: Senator Gayle L. Goldin
Date Introduced: February 27, 2014
Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

SECTION 1. Section 27-18-65 of the General Laws in Chapter 27-18 entitled "Accident and Sickness Insurance Policies" is hereby amended to read as follows:

27-18-65. Post-payment audits. [Effective January 1, 2014.] -- (a) Except as otherwise provided herein, any review, audit or investigation by a health insurer or health plan of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.

(b) No health care provider shall seek reimbursement from a payer for underpayment of a claim later than eighteen (18) months from the date the first payment on the claim was made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims appeal policies or the claim is subject to continual claims submission.

(c) For the purposes of this section, "health care provider" means an individual clinician, either in practice independently or in a group, who provides health care services, and otherwise referred to as a non-institutional provider otherwise referred to as a non-institutional provider any health care facility as defined in § 27-18-1.1, including any mental health and/or substance abuse treatment facility, physician, or other licensed practitioners as identified by a review agent as
having primary responsibility for the care, treatment, and services provided to a patient.

(d) Except for those contracts where the health insurer or plan has the right to unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms which allow for different time frames than is prescribed herein.

SECTION 2. Section 27-19-56 of the General Laws in Chapter 27-19 entitled “Nonprofit Hospital Service Corporations” is hereby amended to read as follows:

27-19-56. Post-payment audits. [Effective January 1, 2014.] -- (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit hospital service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.

(b) No health care provider shall seek reimbursement from a payer for underpayment of a claim later than eighteen (18) months from the date the first payment on the claim was made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims appeal policies or the claim is subject to continual claims submission.

(c) For the purposes of this section, "health care provider" means an individual clinician, either in practice independently or in a group, who provides health care services, and otherwise referred to as a non-institutional provider otherwise referred to as a non-institutional provider, any health care facility as defined in § 27-18-1.1, including any mental health and/or substance abuse treatment facility, physician, or other licensed practitioners as identified by a review agent as having primary responsibility for the care, treatment, and services provided to a patient.

(d) Except for those contracts where the health insurer or plan has the right to unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms which allow for different time frames than is prescribed herein.

SECTION 3. Section 27-20-51 of the General Laws in Chapter 27-20 entitled "Nonprofit Medical Service Corporations” is hereby amended to read as follows:

27-20-51. Post-payment audits. [Effective January 1, 2014.] -- (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit medical service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review,
audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of
inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to
any federal law or regulation that permits claims review beyond the period provided herein.

(b) No health care provider shall seek reimbursement from a payer for underpayment of
a claim later than eighteen (18) months from the date the first payment on the claim was made,
except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims
appeal policies or the claim is subject to continual claims submission.

(c) For the purposes of this section, “health care provider” means an individual clinician,
either in practice independently or in a group, who provides health care services, and otherwise
referred to as a non-institutional provider, otherwise referred to as a non-institutional provider, any
health care facility as defined in § 27-18-1.1, including any mental health and/or substance abuse
treatment facility, physician, or other licensed practitioners as identified by a review agent as
having primary responsibility for the care, treatment, and services provided to a patient.

(d) Except for those contracts where the health insurer or plan has the right to
unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms
which allow for different time frames than is prescribed herein.

Maintenance Organizations" is hereby amended to read as follows:

27-41-69. Post-payment audits. [Effective January 1, 2014.] -- (a) Except as otherwise
provided herein, any review, audit or investigation by a health maintenance organization of a
health care provider's claims which results in the recoupment or set-off of funds previously paid
to the health care provider in respect to such claims shall be completed no later than eighteen (18)
months after the completed claims were initially paid. This section shall not restrict any review,
audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of
inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to
any federal law or regulation that permits claims review beyond the period provided herein.

(b) No health care provider shall seek reimbursement from a payer for underpayment of
a claim later than eighteen (18) months from the date the first payment on the claim was made,
except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims
appeal policies or the claim is subject to continual claims submission.

(c) For the purposes of this section, “health care provider” means an individual clinician,
either in practice independently or in a group, who provides health care services, and otherwise
referred to as a non-institutional provider, otherwise referred to as a non-institutional provider, any
health care facility as defined in § 27-18-1.1, including any mental health and/or substance abuse
treatment facility, physician, or other licensed practitioners as identified by a review agent as

having primary responsibility for the care, treatment, and services provided to a patient.

(d) Except for those contracts where the health insurer or plan has the right to

unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms

which allow for different time frames than is prescribed herein.

SECTION 5. This act shall take effect on January 1, 2015.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO INSURANCE - HEALTH INSURANCE

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1 This act would redefine health care providers as identified by a review agent as having
2 primary responsibility for the care, treatment, and services provided to a patient and would
3 include mental health and/or substance abuse treatment facilities and physicians.
4 This act would take effect on January 1, 2015.

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