

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO INSURANCE ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators Lynch Prata, and Doyle

Date Introduced: March 02, 2017

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

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

3 **27-18-65. Post-payment audits.**

4 (a) Except as otherwise provided herein, any review, audit or investigation by a health  
5 insurer or health plan of a health care provider's claims that results in the recoupment or set-off of  
6 funds previously paid to the health care provider in respect to such claims shall be completed no  
7 later than eighteen (18) months after the completed claims were initially paid. This section shall  
8 not restrict any review, audit, or investigation regarding claims that are submitted fraudulently;  
9 are ~~subject to~~ known by the provider to be a pattern of inappropriate billing; are related to  
10 coordination of benefits; are duplicate claims; or are subject to any federal law or regulation that  
11 permits claims review beyond the period provided herein.

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

16 (c) For the purposes of this section, "health care provider" means an individual clinician,  
17 either in practice independently, or in a group, who provides health care services, and any  
18 healthcare facility, as defined in § 27-18-1.1 including any mental health and/or substance abuse  
19 treatment facility, physician, or other licensed practitioner as identified to the review agent as

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

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

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

7 **27-19-56. Post-payment audits.**

8 (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit  
9 hospital service corporation of a health-care provider's claims that results in the recoupment or  
10 set-off of funds previously paid to the health-care provider in respect to such claims shall be  
11 completed no later than eighteen (18) months after the completed claims were initially paid. This  
12 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
13 fraudulently; are ~~subject to~~ known by the provider to be a pattern of inappropriate billing; are  
14 related to coordination of benefits; are duplicate claims; or are subject to any federal law or  
15 regulation that permits claims review beyond the period provided herein.

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

20 (c) For the purposes of this section, "health-care provider" means an individual clinician,  
21 either in practice independently or in a group, who provides health-care services, and any  
22 healthcare facility, as defined in § 27-18-1.1 including any mental health and/or substance abuse  
23 treatment facility, physician, or other licensed practitioner identified to the review agent as having  
24 primary responsibility for the care, treatment, and services rendered to a patient.

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

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

30 **27-20-51. Post-payment audits.**

31 (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit  
32 medical service corporation of a health care provider's claims that results in the recoupment or  
33 set-off of funds previously paid to the health care provider in respect to such claims shall be  
34 completed no later than eighteen (18) months after the completed claims were initially paid. This

1 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
2 fraudulently; are ~~subject to~~ known by the provider to be a pattern of inappropriate billing; are  
3 related to coordination of benefits; are duplicate claims; or are subject to any federal law or  
4 regulation that permits claims review beyond the period provided herein.

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

9 (c) For the purposes of this section, "health care provider" means an individual clinician,  
10 either in practice independently or in a group, who provides health care services, and any  
11 healthcare facility, as defined in § 27-20-1 including any mental health and/or substance abuse  
12 treatment facility, physician, or other licensed practitioner identified to the review agent as having  
13 primary responsibility for the care, treatment, and services rendered to a patient.

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

17 SECTION 4. Section 27-41-69 of the General Laws in Chapter 27-41 entitled "Health  
18 Maintenance Organizations" is hereby amended to read as follows:

19 **27-41-69. Post-payment audits.**

20 (a) Except as otherwise provided herein, any review, audit or investigation by a health  
21 maintenance organization of a health care provider's claims that results in the recoupment or set-  
22 off of funds previously paid to the health care provider in respect to such claims shall be  
23 completed no later than eighteen (18) months after the completed claims were initially paid. This  
24 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
25 fraudulently; are ~~subject to~~ known by the provider to be a pattern of inappropriate billing; are  
26 related to coordination of benefits; are duplicate claims; or are subject to any federal law or  
27 regulation that permits claims review beyond the period provided herein.

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

32 (c) For the purposes of this section, "health care provider" means an individual clinician,  
33 either in practice independently or in a group, who provides health care services, and any  
34 healthcare facility, as defined in § 27-41-2 including any mental health and/or substance abuse

1 treatment facility, physician, or other licensed practitioner identified to the review agent as having  
2 primary responsibility for the care, treatment, and services rendered to a patient.

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

6 SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE ACCIDENT AND SICKNESS INSURANCE POLICIES

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- 1           This act would permit an audit or claims investigation for a pattern of inappropriate
- 2 billing only if it is determined that the claims are known by the provider to be inappropriate.
- 3           This act would take effect upon passage.

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