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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO INSURANCE - HEALTH INSURANCE

Introduced By: Senator Donna M.Nesselbush

Date Introduced: February 27, 2014

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness  
2 Insurance Policies" is hereby amended by adding thereto the following section:

3           **27-18-82. Retroactive termination.** - A health care entity or health plan operating in the  
4 state shall include in all contracts with employer groups, union plans, and brokers the requirement  
5 that, before processing a request for a retroactive termination of eligibility a health care entity or  
6 health plan must verify that there are no outstanding claims on file for the enrollee, subject to the  
7 retroactive termination request that cover services provided after the date of the requested  
8 retroactive termination and if there are claims on file, the termination will be effective on the  
9 date on which the payer was notified of the termination. For purposes of this section, this  
10 requirement does not apply to Consolidated Omnibus Budget Reconciliation Act (COBRA)  
11 policy holders.

12           SECTION 2. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service  
13 Corporations" is hereby amended by adding thereto the following section:

14           **27-19-73. Retroactive termination.** - A nonprofit hospital service corporation operating  
15 in the state shall include in all contracts with employer groups, union plans, and brokers the  
16 requirement that, before processing a request for a retroactive termination of eligibility a health  
17 care entity or health plan must verify that there are no outstanding claims on file for the enrollee,  
18 subject to the retroactive termination request that cover services provided after the date of the  
19 requested retroactive termination and if there are claims on file, the termination will be effective

1 on the date on which the payer was notified of the termination. For purposes of this section, this  
2 requirement does not apply to Consolidated Omnibus Budget Reconciliation Act (COBRA)  
3 policy holders.

4 SECTION 3. Chapter 27-20 of the General Laws entitled "Non-profit Medical Service  
5 Corporations" is hereby amended by adding thereto the following section:

6 **27-20-69. Retroactive termination. - A nonprofit medical service corporation operating**  
7 **in the state shall include in all contracts with employer groups, union plans, and brokers the**  
8 **requirement that, before processing a request for a retroactive termination of eligibility a health**  
9 **care entity or health plan must verify that there are no outstanding claims on file for the enrollee,**  
10 **subject to the retroactive termination request that cover services provided after the date of the**  
11 **requested retroactive termination and if there are claims on file, the termination will be effective**  
12 **on the date on which the payer was notified of the termination. For purposes of this section, this**  
13 **requirement does not apply to Consolidated Omnibus Budget Reconciliation Act (COBRA)**  
14 **policy holders.**

15 SECTION 4. Chapter 27-41 of the General Laws entitled "Health Maintenance  
16 Organizations" is hereby amended by adding thereto the following section:

17 **27-41-86. Retroactive termination. - A health maintenance organization operating in the**  
18 **state shall include in all contracts with employer groups, union plans, and brokers the requirement**  
19 **that, before processing a request for a retroactive termination of eligibility a health care entity or**  
20 **health plan must verify that there are no outstanding claims on file for the enrollee, subject to the**  
21 **retroactive termination request that cover services provided after the date of the requested**  
22 **retroactive termination and if there are claims on file, the termination will be effective on the date**  
23 **on which the payer was notified of the termination. For purposes of this section, this requirement**  
24 **does not apply to Consolidated Omnibus Budget Reconciliation Act (COBRA) policy holders.**

25 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 - HEALTH INSURANCE

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1           This act would require that a health care entity or health plan operating in this state to  
2 include in all contracts with employer groups, union plans and brokers, the requirement that,  
3 before processing a request for retroactive termination of eligibility, the health care entity or  
4 health plan must verify that there are no outstanding claims on file for the enrollee.

5           This act would take effect upon passage.

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