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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators Goldin, Cool Rumsey, Conley, Satchell, and Sosnowski

Date Introduced: February 28, 2013

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.** -- (a)(1) Except as otherwise provided herein, any  
4 review, audit or investigation by a health insurer or health plan of a health care provider's claims  
5 which results in the recoupment or set-off of funds previously paid to the health care provider in  
6 respect to such claims shall be completed no later than ~~two (2) years~~ one year after the completed  
7 claims were initially paid.

8           (2) No funds previously paid to the health care provider shall be recouped or set-off by  
9 the health insurer or health plan until the health care provider shall have received sixty (60) days'  
10 written notice of the health insurer's or health plan's proposed recoupment or set-off activities and  
11 an opportunity to appeal such action. The written notice shall include:

12           (i) The principal reasons for the recoupment or set-off, including documentation  
13 supporting the health insurer's or health plan's actions;

14           (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
15 and telephone number of the person to contact with regard to an appeal.

16           (3) The health insurer or health plan shall notify the health care provider of its decision  
17 on the appeal as soon as practical, but in no case later than fifteen (15) calendar days after  
18 receiving written or electronic notice of the health care provider's desire to appeal.

19           (4) In cases where the internal appeal is unsuccessful, the health insurer or health plan

1 shall provide for an external appeal by an unrelated and objective independent public auditor.

2 (5) This section shall not restrict any review, audit or investigation regarding claims that  
3 are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to  
4 coordination of benefits, or are subject to any federal law or regulation that permits claims review  
5 beyond the period provided herein.

6 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
7 a claim later than ~~two (2) years~~ one year from the date the first payment on the claim was made,  
8 except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims  
9 appeal policies or the claim is subject to continual claims submission.

10 (c) For the purposes of this section, "health care provider" means an individual clinician,  
11 either in practice independently or in a group, who provides health care services, and otherwise  
12 referred to as a non-institutional provider.

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

15 **27-19-56. Post-payment audits.** -- (a)(1) Except as otherwise provided herein, any  
16 review, audit or investigation by a nonprofit hospital service corporation of a health care  
17 provider's claims which results in the recoupment or set-off of funds previously paid to the health  
18 care provider in respect to such claims shall be completed no later than ~~two (2) years~~ one year  
19 after the completed claims were initially paid.

20 (2) No funds previously paid to the health care provider shall be recouped or set-off by  
21 the nonprofit hospital service corporation until the health care provider shall have received sixty  
22 (60) days' written notice of the nonprofit hospital service corporation's proposed recoupment or  
23 set-off activities and an opportunity to appeal such action. The written notice shall include:

24 (i) The principal reasons for the recoupment or set-off, including documentation  
25 supporting the nonprofit hospital service corporation's actions;

26 (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
27 and telephone number of the person to contact with regard to an appeal.

28 (3) The nonprofit hospital service corporation shall notify the health care provider of its  
29 decision on the appeal as soon as practical, but in no case later than fifteen (15) calendar days  
30 after receiving written or electronic notice of the health care provider's desire to appeal.

31 (4) In cases where the internal appeal is unsuccessful, nonprofit hospital service  
32 corporation shall provide for an external appeal by an unrelated and objective independent public  
33 auditor.

34 (5) This section shall not restrict any review, audit or investigation regarding claims that

1 are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to  
2 coordination of benefits, or are subject to any federal law or regulation that permits claims review  
3 beyond the period provided herein.

4 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
5 a claim later than ~~two (2) years~~ one year from the date the first payment on the claim was made,  
6 except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims  
7 appeal policies or the claim is subject to continual claims submission.

8 (c) For the purposes of this section, "health care provider" means an individual clinician,  
9 either in practice independently or in a group, who provides health care services, and otherwise  
10 referred to as a non-institutional provider.

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

13 **27-20-51. Post-payment audits.** -- (a)(1) Except as otherwise provided herein, any  
14 review, audit or investigation by a nonprofit ~~hospital~~ medical service corporation of a health care  
15 provider's claims which results in the recoupment or set-off of funds previously paid to the health  
16 care provider in respect to such claims shall be completed no later than ~~two (2) years~~ one year  
17 after the completed claims were initially paid.

18 (2) No funds previously paid to the health care provider shall be recouped or set-off by  
19 the nonprofit hospital service corporation until the health care provider shall have received sixty  
20 (60) days' written notice of the health insurer's or health plan's proposed recoupment or set-off  
21 activities and an opportunity to appeal such action. The written notice shall include:

22 (i) The principal reasons for the recoupment or set-off, including documentation  
23 supporting the nonprofit hospital service corporation's actions;

24 (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
25 and telephone number of the person to contact with regard to an appeal.

26 (3) The nonprofit hospital service corporation shall notify the health care provider of its  
27 decision on the appeal as soon as practical, but in no case later than fifteen (15) calendar days  
28 after receiving written or electronic notice of the health care provider's desire to appeal.

29 (4) In cases where the internal appeal is unsuccessful, the nonprofit hospital service  
30 corporation shall provide for an external appeal by an unrelated and objective independent public  
31 auditor.

32 (2) No funds previously paid to the health care provider shall be recouped or set-off by  
33 the nonprofit hospital service corporation until the health care provider shall have received sixty  
34 (60) days' written notice of the health insurer's or health plan's proposed recoupment or set-off

1 activities and an opportunity to appeal such action. The written notice shall include:

2 (i) The principal reasons for the recoupment or set-off, including documentation  
3 supporting the health insurer's or health plan's actions;

4 (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
5 and telephone number of the person to contact with regard to an appeal.

6 (3) The nonprofit hospital service corporation shall notify the health care provider of its  
7 decision on the appeal as soon as practical, but in no case later than fifteen (15) calendar days  
8 after receiving written or electronic notice of the health care provider's desire to appeal.

9 (4) In cases where the internal appeal is unsuccessful, nonprofit hospital service  
10 corporation shall provide for an external appeal by an unrelated and objective independent public  
11 auditor.

12 (5) This section shall not restrict any review, audit or investigation regarding claims that  
13 are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to  
14 coordination of benefits, or are subject to any federal law or regulation that permits claims review  
15 beyond the period provided herein.

16 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
17 a claim later than ~~two (2) years~~ one year 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 otherwise  
22 referred to as a non-institutional provider.

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

25 **27-41-69. Post-payment audits.** -- (a)(1) Except as otherwise provided herein, any  
26 review, audit or investigation by a health maintenance organization of a health care provider's  
27 claims which results in the recoupment or set-off of funds previously paid to the health care  
28 provider in respect to such claims shall be completed no later than ~~two (2) years~~ one year after the  
29 completed claims were initially paid.

30 (2) No funds previously paid to the health care provider shall be recouped or set-off by  
31 the nonprofit hospital service corporation until the health care provider shall have received sixty  
32 (60) days' written notice of the nonprofit hospital service corporation's proposed recoupment or  
33 set-off activities and an opportunity to appeal such action. The written notice shall include:

34 (i) The principal reasons for the recoupment or set-off, including documentation

1 supporting the nonprofit hospital service corporation's actions;

2 (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
3 and telephone number of the person to contact with regard to an appeal.

4 (3) The nonprofit hospital service corporation shall notify the health care provider of its  
5 decision on the appeal as soon as practical, but in no case later than fifteen (15) calendar days  
6 after receiving written or electronic notice of the health care provider's desire to appeal.

7 (4) In cases where the internal appeal is unsuccessful, the nonprofit hospital service  
8 corporation shall provide for an external appeal by an unrelated and objective independent public  
9 auditor.

10 (2) No funds previously paid to the health care provider shall be recouped or set-off by  
11 the nonprofit hospital service corporation until the health care provider shall have received sixty  
12 (60) days' written notice of the nonprofit hospital service corporation's proposed recoupment or  
13 set-off activities and an opportunity to appeal such action. The written notice shall include:

14 (i) The principal reasons for the recoupment or set-off, including documentation  
15 supporting the health insurer's or health plan's actions;

16 (ii) The procedures to initiate an appeal of the recoupment or set-off, including the name  
17 and telephone number of the person to contact with regard to an appeal.

18 (3) The nonprofit hospital service corporation shall notify the health care provider of its  
19 decision on the appeal as soon as practical, but in no case later than fifteen (15) calendar days  
20 after receiving written or electronic notice of the health care provider's desire to appeal.

21 (4) In cases where the internal appeal is unsuccessful, the health insurer or health plan  
22 shall provide for an external appeal by an unrelated and objective independent public auditor.

23 (5) This section shall not restrict any review, audit or investigation regarding claims that  
24 are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to  
25 coordination of benefits, or are subject to any federal law or regulation that permits claims review  
26 beyond the period provided herein.

27 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
28 a claim later than ~~two (2) years~~ one year from the date the first payment on the claim was made,  
29 except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims  
30 appeal policies or the claim is subject to continual claims submission.

31 (c) For the purposes of this section, "health care provider" means an individual clinician,  
32 either in practice independently or in a group, who provides health care services, and otherwise  
33 referred to as a non-institutional provider.

1 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 amend the amount of time permitted for a health payer to conduct a post-
- 2           payment audit from two (2) years to one year and would establish an appeals process prior to any
- 3           recoupment or set-off.
- 4           This act would take effect upon passage.

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