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LC01274/SUB A
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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) Except as otherwise provided herein, any review,
4 audit or investigation by a health insurer or health plan of a health care provider's claims which
5 results in the recoupment or set-off of funds previously paid to the health care provider in respect
6 to such claims shall be completed no later than ~~two (2) years~~ eighteen (18) months after the
7 completed claims were initially paid. This section shall not restrict any review, audit or
8 investigation regarding claims that are submitted fraudulently, are subject to a pattern of
9 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to
10 any federal law or regulation that permits claims review beyond the period provided herein.

11 (b) No health care provider shall seek reimbursement from a payer for underpayment of
12 a claim later than ~~two (2) years~~ eighteen (18) months from the date the first payment on the claim
13 was made, except if the claim is the subject of an appeal properly submitted pursuant to the
14 payer's claims appeal policies or the claim is subject to continual claims submission.

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

18 (d) Except for those contracts where the health insurer or plan has the right to unilaterally
19 amend the terms of the contract, the parties shall be able to negotiate contract terms which allow

1 [for different time frames than is prescribed herein.](#)

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

4 **27-19-56. Post-payment audits.** -- (a) Except as otherwise provided herein, any review,
5 audit or investigation by a nonprofit hospital service corporation of a health care provider's claims
6 which results in the recoupment or set-off of funds previously paid to the health care provider in
7 respect to such claims shall be completed no later than ~~two (2) years~~ [eighteen \(18\) months](#) after
8 the completed claims were initially paid. This section shall not restrict any review, audit or
9 investigation regarding claims that are submitted fraudulently, are subject to a pattern of
10 inappropriate billing, are related to coordination of benefits, [are duplicate claims](#), or are subject to
11 any federal law or regulation that permits claims review beyond the period provided herein.

12 (b) No health care provider shall seek reimbursement from a payer for underpayment of
13 a claim later than ~~two (2) years~~ [eighteen \(18\) months](#) from the date the first payment on the claim
14 was made, except if the claim is the subject of an appeal properly submitted pursuant to the
15 payer's claims 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 otherwise
18 referred to as a non-institutional provider.

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

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

24 **27-20-51. Post-payment audits.** -- (a) Except as otherwise provided herein, any review,
25 audit or investigation by a nonprofit ~~hospital~~ [medical](#) service corporation of a health care
26 provider's claims which results in the recoupment or set-off of funds previously paid to the health
27 care provider in respect to such claims shall be completed no later than ~~two (2) years~~ [eighteen](#)
28 [\(18\) months](#) after the completed claims were initially paid. This section shall not restrict any
29 review, audit or investigation regarding claims that are submitted fraudulently, are subject to a
30 pattern of inappropriate billing, are related to coordination of benefits, [are duplicate claims](#), or are
31 subject to any federal law or regulation that permits claims review beyond the period provided
32 herein.

33 (b) No health care provider shall seek reimbursement from a payer for underpayment of
34 a claim later than ~~two (2) years~~ [eighteen \(18\) months](#) from the date the first payment on the claim

1 was made, except if the claim is the subject of an appeal properly submitted pursuant to the
2 payer's claims appeal policies or the claim is subject to continual claims submission.

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

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

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

11 **27-41-69. Post-payment audits.** -- (a) Except as otherwise provided herein, any review,
12 audit or investigation by a health maintenance organization of a health care provider's claims
13 which results in the recoupment or set-off of funds previously paid to the health care provider in
14 respect to such claims shall be completed no later than ~~two (2) years~~ eighteen (18) months after
15 the completed claims were initially paid. This section shall not restrict any review, audit or
16 investigation regarding claims that are submitted fraudulently, are subject to a pattern of
17 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to
18 any federal law or regulation that permits claims review beyond the period provided herein.

19 (b) No health care provider shall seek reimbursement from a payer for underpayment of
20 a claim later than ~~two (2) years~~ eighteen (18) months from the date the first payment on the claim
21 was made, except if the claim is the subject of an appeal properly submitted pursuant to the
22 payer's claims appeal policies or the claim is subject to continual claims submission.

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

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

29 SECTION 5. This act shall take effect on January 1, 2014.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

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 eighteen (18) months and would establish an appeals process
3 prior to any recoupment or set-off. It would also allow the parties to health insurance plans to
4 negotiate different time frames than specified herein.

5 This act would take effect on January 1, 2014.

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