

2017 -- H 5634 SUBSTITUTE A

=====
LC001663/SUB A
=====

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: Representative Scott Slater

Date Introduced: March 01, 2017

Referred To: House Corporations

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. Section 27-20.1-19 of the General Laws in Chapter 27-20.1 entitled
7 "Nonprofit Dental Service Corporations" is hereby amended to read as follows:

8 **27-20.1-19. Post-payment audits.**

9 (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit
10 dental service corporation of a health care provider's claims which results in the recoupment or
11 set-off of funds previously paid to the health care provider in respect to such claims shall be
12 completed no later than ~~two (2) years~~ eighteen (18) months after the completed claims were
13 initially paid. This section shall not restrict any review, audit or investigation regarding claims
14 that are submitted fraudulently, are ~~subject to~~ known or should have been known by the health
15 care provider to be a pattern of inappropriate billing according to the standards for provider
16 billing of their respective medical or dental specialty, are related to coordination of benefits, or
17 are subject to any federal law or regulation that permits claims review beyond the period provided
18 herein.

19 (b) No health care provider shall seek reimbursement from a payer for underpayment of a
20 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 SECTION 6. This act shall take effect upon passage.

=====
LC001663/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE ACCIDENT AND SICKNESS INSURANCE POLICIES

- 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.

=====
LC001663/SUB A
=====