



1           (a) Notwithstanding any other provision of the general laws to the contrary, a health insurer  
2 shall reimburse a healthcare provider no less than sixty-five percent (65%) of each co-payment, co-  
3 insurance and/or deductible amount due under an insured’s health benefit plan which is unpaid after  
4 reasonable collection efforts have been made by the healthcare provider pursuant to subsection (b)  
5 of this section.

6           (b) Reimbursement for uncollected co-payment, co-insurance and/or deductible amounts  
7 due (each a “claim”) under an insured’s health benefit plan for covered services rendered shall be  
8 deemed an uncollectible bad debt, and a healthcare provider may submit a request for  
9 reimbursement to the health insurer under the following conditions:

10           (1) The claim must be derived from the wholly or partially uncollected co-payment, co-  
11 insurance and/or deductible amounts under an insured’s health benefit plan;

12           (2) The reimbursement requested by the healthcare provider shall be for a claim where the  
13 co-payment, co-insurance, or deductible amount was at least two hundred fifty dollars (\$250), and  
14 each claim reflects a unique covered service under the health benefit plan per insured;

15           (3) The healthcare provider must have made reasonable collection efforts for each claim  
16 filed for reimbursement under this section, such efforts including documentation that the claim has  
17 remained partially or fully unpaid and is not subject to an ongoing payment plan for more than one  
18 hundred twenty (120) days from the date the first bill was mailed, which may include such efforts  
19 as telephone calls, collection letters, or any other notification method that constitutes a genuine and  
20 continuous effort to contact the member. Said documentation shall include the date and method of  
21 contact;

22           (4) On or before May 1 of each year, the healthcare provider shall submit an aggregate  
23 request for reimbursement representing all claims that meet the criteria under this section in the  
24 prior calendar year. The request for reimbursement shall include documentation of the attempt to  
25 collect on the claim(s), the name and identification number of the insured, the date of service, the  
26 unpaid co-payment, co-insurance, or deductible, the amount that was collected, if any, and the date  
27 and general method of contact with the insured. For the purposes of this section, an insured co-  
28 payment, co-insurance, and/or deductible amount due shall be determined based on the date that  
29 the service is rendered; provided, further, that a health insurer shall not prohibit reimbursement if  
30 the insured is no longer covered by the plan on the date that the request is made;

31           (5) Nothing in this section shall prevent the health insurer from conducting an audit of the  
32 request for reimbursement of unpaid co-payment, co-insurance, and/or deductible amounts to verify  
33 that the insured was eligible for coverage at the time of service, that the service was a covered  
34 health benefit under the applicable health benefit plan, and to verify from the provider’s internal

1 log that reasonable efforts were made to contact the insured following the criteria outlined in this  
2 section. The health insurer must complete any such audit of the submitted report from the healthcare  
3 provider and notify the healthcare provider of any disputes as to the request for reimbursement  
4 within one hundred twenty (120) days of receipt of the request for reimbursement from the  
5 healthcare provider. The health insurer shall pay the healthcare provider sixty-five percent (65%)  
6 of the undisputed amounts as submitted by the healthcare provider in the request for reimbursement  
7 in accordance with this section within one hundred twenty (120) days of receipt of such requests  
8 from the healthcare provider. Any dispute regarding contested claims shall be subject to a dispute  
9 resolution process applicable to the arrangement between the health insurer and the healthcare  
10 provider; and

11 (6) Any amounts attributable to co-payment, co-insurance, or deductible amounts collected  
12 by a healthcare provider after reimbursement has been made by the health insurer pursuant to this  
13 section shall be recorded by the healthcare provider and reported as an offset to future submissions  
14 to such health insurer.

15 (c) No health insurer shall prohibit a healthcare provider from collecting the amount of the  
16 insured's co-payment, co-insurance, and/or deductible, if any, at the time of service.

17 (d) The health insurance commissioner shall promulgate regulations, by January 1, 2027,  
18 that are consistent with the rules developed by the Centers for Medicare & Medicaid Services for  
19 reasonable collection efforts required by a healthcare provider prior to submission of a request of  
20 reimbursement to a carrier. Notwithstanding the foregoing, in the event that the health insurance  
21 commissioner fails to promulgate such regulations, the provisions of this chapter shall be self-  
22 implementing, and carriers shall make applicable payments to healthcare providers in accordance  
23 with the provisions of this chapter, utilizing the same process adopted by the Centers for Medicare  
24 & Medicaid Services' reasonable collection efforts for bad debt, as documented in the most recent  
25 Medicare Provider Reimbursement Manual, CMS Pub. 15-1 and 15-2 (HIM-15) in effect, within  
26 ninety (90) days of the effective date of this chapter. The health insurance commissioner shall  
27 further require each carrier to provide the health insurance commissioner with an annual report  
28 showing the total number and amount of uncollected co-payments, co-insurances, and deductibles  
29 that are reimbursed as well as those that are denied. The report shall be made publicly available on  
30 the health insurance commissioner's website.

31 SECTION 2. This act shall take effect upon passage.

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LC005841  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- EQUITABLE FUNDING FOR HEALTHCARE PROVIDER  
BAD DEBT

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1           This act would establish a procedure for a health insurer to reimburse a healthcare provider  
2 no less than sixty-five percent (65%) of each unpaid co-payment, co-insurance or deductible  
3 amount due, after reasonable collection efforts.

4           This act would take effect upon passage.

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