SLS 21RS-251 **REENGROSSED**

2021 Regular Session

SENATE BILL NO. 130

BY SENATOR JACKSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE POLICIES. Provides for payment of health insurance provider claim payment claims. (8/1/21)

AN ACT

To enact R.S. 22:1828 and 1964(30) and R.S. 46:460.75, relative to health insurance; to provide for provider claim payment and data information protections; to provide for definitions; to provide for payment by electronic funds transfer; to provide for violations; to provide for unfair or deceptive acts or practices in the business of insurance; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1828 and 1964(30) are hereby enacted to read as follows:

§1828. Provider claim payment and information protection

A. As used in this Section:

(1) "Electronic funds transfer" means an electronic funds transfer through the federal Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended, standard automated clearinghouse network.

(2) "Health insurance issuer" means an entity subject to the insurance laws and regulations of this state, that contracts or offers to contract, or enters into an agreement to provide, deliver, arrange for, pay for, or reimburse any of the costs for health care services, including a health and accident insurance

company, a health maintenance organization, a preferred provider organization, or any similar entity.

B. Within the time period prescribed by a health insurance issuer in which the health insurance issuer can review or audit a claim for purposes of reconsidering the validity of the claim, if a health care provider submits a request orally or in writing to a health insurance issuer, the health insurance issuer shall provide a copy of all documentation transmitted between the health care provider and the health insurance issuer or their respective agents, that is associated with a claim for payment for services. The health insurance issuer shall provide the requested documentation within two business days of the request submitted by the health care provider. A health insurance issuer may, in lieu of providing a physical copy, provide electronic access to the provider of the documentation through the use of a provider portal or other electronic means. All information or documentation required to be provided by this Section to a health care provider by a health insurance issuer, whether by physical copy or electronic access, shall be provided at no cost to the health care provider.

C.(1) Any health insurance plan issued, amended, or renewed on or after January 1, 2022, between a health insurance insurer, its contracted vendor or agent, and a health care provider that covers health care services to a plan enrollee shall not restrict the method of payment from the health insurance issuer or its vendor to the health care provider in which the only acceptable payment method for services rendered requires the health care provider to pay a transaction fee, provider subscription fee, or any other type of fee or cost in order to accept payment from the health insurance issuer or that results in a monetary reduction in the payment to the health care provider for the health care services rendered.

(2) If initiating or changing payments to a health care provider using electronic funds transfer payments the health insurance issuer, its contracted

vendor, or agent shall:

(a) Notify the health care provider if any fees are associated with a particular payment method.

(b) Advise the provider of the available methods of payment and provide instructions to the health care provider for selection of an alternative payment method that does not require the health care provider to pay a transaction fee, provider subscription fee, or any other type of fee or cost in order for the health care provider to accept payment from the health insurance issuer.

D. The provisions of this Section shall not be waived by contract, and any contractual clause in conflict with the provisions of this Section or that purport to waive the requirements of this Section shall be void.

E. Any violation of the provisions of this Section shall be declared and considered to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance and subject to the provisions of Part IV of Chapter 7 of this Title.

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§1964. Methods, acts, and practices which are defined as unfair or deceptive

The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

* * *

(30) Any violation of R.S. 22:1828.

Section 2. R.S. 46:460.75 is hereby enacted to read as follows:

§460.75. Provider claim payment and information protection

A. If a health care provider submits a request, either orally or in writing, to a managed care organization during the time prescribed by state law or regulation in which a managed care organization can subject a claim to any review or audit for purposes of reconsidering the validity of a claim, the managed care organization shall provide, within two business days of such request, a copy of all documentation that has been transmitted between the

health care provider and the managed care organization, or their respective agents, that is associated with a claim for payment of a service. A managed care organization may, in lieu of providing a physical copy, provide electronic access of the documentation through the use of a provider portal or other electronic means to the provider. All information or documentation required to be provided to a health care provider by a managed care organization pursuant to this Section, whether by physical copy or electronic access, shall be provided at no cost to the health care provider.

B.(1) Any health care provider contract issued, amended, or renewed on or after January 1, 2021, between a managed care organization, its contracted vendor, or agent and a health care provider for the provision of health care services to a Medicaid enrollee shall not contain restrictions on methods of payment from the managed care organization or its vendor to the health care provider in which the only acceptable payment method for health care services rendered requires the health care provider to pay a transaction fee, provider subscription fee, or any other type of fee or cost in order to accept payment from the managed care organization for the provision of health care services, or that would result in a monetary reduction in the health care provider's payment for the health care services rendered.

(2) If initiating or changing payments to a health care provider using electronic funds transfer payments a managed care organization, its contracted vendor, or agent shall:

(a) Notify the health care provider if any fees are associated with a particular payment method.

(b) Advise the provider of the available methods of payment and provide clear instructions to the health care provider as to how to select an alternative payment method that does not require the health care provider to pay a transaction fee, provider subscription fee, or any other type of fee or cost in order to accept payment from the managed care organization for the provision

of health care services.

C. The provisions of this Section shall not be waived by contract, and any contractual clause in conflict with the provisions of this Section or that purport to waive any requirements of this Section are void.

D. If the managed care organization, its contracted vendor, or agent violates any provision of this Section, the department shall impose penalties on the managed care organization in accordance with contract provisions or rules and regulations promulgated pursuant to the Administrative Procedure Act, except that penalties shall be imposed without the necessity of the department having to issue any prior notice of corrective action.

E. As used in this Section, "electronic funds transfer" means an electronic funds transfer through the federal Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, standard automated clearinghouse network.

The original instrument was prepared by Cheryl Cooper. The following digest, which does not constitute a part of the legislative instrument, was prepared by Carla S. Roberts.

DIGEST

SB 130 Reengrossed 2021 Regular Session Jackson

Proposed law requires if, during the time a health insurance issuer conducts a review or audit for purposes of reconsidering the validity of a claim filed with the issuer and a health care provider submits a request either orally or in writing to a health insurance issuer, the health insurance issuer shall provide a copy of all documentation transmitted between the health care provider and the health insurance issuer at no cost to the health care provider, within two business days of the request. Allows electronic access to the documentation.

Proposed law provides that any health insurance plan, except the La. Medicaid Program, that issued, amended, or renewed on or after January 1, 2022, shall not restrict the method of payment from the health insurance issuer or its vendor to the health care provider in which the only acceptable method for health care services rendered requires the health care provider to pay a transaction fee, provider subscription fee, or any other type of fee or cost in order to accept payment from the health insurance issuer.

Proposed law requires a health insurance issuer initiating or changing payments to a health care provider using electronic funds transfer payments to notify a health care provider if any fees are associated with a particular payment method and to advise the provider of the available methods of payment and provide instructions to the health care provider as to how to select an alternative payment method that does not require payment of a transaction fee, provider subscription fee, or any other type of fee or cost to accept payment from the health insurance issuer.

Proposed law provides that violations of proposed law are deemed unfair methods of competition and subject to provisions regarding unfair or deceptive acts or practices according to present law and such violations of proposed law cannot be waived by contract.

Proposed law provides that proposed law also applies to the Medicaid managed care organizations.

Effective August 1, 2021.

(Adds R.S. 22:1828 and 1964(30) and R.S. 46:460.75)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Removes the La. Medicaid Program.