

**ACT No. 174**

Regular Session, 2014

HOUSE BILL NO. 506

BY REPRESENTATIVE GREENE

1 AN ACT

2 To enact Subpart O of Part III of Chapter 4 of Title 22 of the Louisiana Revised Statutes of  
3 1950, to be comprised of R.S. 22:1260.31 through 1260.38, relative to health  
4 insurance; to provide for certain notice requirements which must be satisfied by  
5 health insurance issuers offering plans on the exchange; to provide definitions; to  
6 provide for recoupment deadlines; to provide for injunctive relief and penalties; to  
7 provide for rules and regulations; to provide for severability; and to provide for  
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart O of Part III of Chapter 4 of Title 22 of the Louisiana Revised  
11 Statutes of 1950, comprised of R.S. 22:1260.31 through 1260.38, is hereby enacted to read  
12 as follows:

13 SUBPART O. PHYSICIAN AND PROVIDER NOTIFICATION OF PATIENTS IN

14 HEALTH INSURANCE EXCHANGE GRACE PERIOD ACT

15 §1260.31. Short title

16 This Subpart shall be known and may be cited as the "Physician and Provider  
17 Notification of Patients in Health Insurance Exchange Grace Period Act".

18 §1260.32. Definitions

19 As used in this Subpart, the following words shall have the following  
20 meanings, unless the context clearly indicates otherwise:

21 (1) "Enrollee" means a qualified individual or qualified employee enrolled  
22 in a qualified health plan. An enrollee is generally a person eligible for services  
23 covered by a specific health insurance plan in the exchange.

1           (2) "Grace period" is a period that applies to recipients of advance payments  
2           of the premium tax credit allowed for certain individuals to purchase health  
3           insurance coverage on the exchange. The grace period provides three consecutive  
4           months for an enrollee to pay a delinquent premium when that enrollee has paid a  
5           premium at least one full month during the benefit year. The grace period begins  
6           when the enrollee fails to pay the premium for a particular month.

7           (3) "Health insurance exchange" or "exchange" means a governmental  
8           agency or nonprofit entity that meets the applicable standards of the Patient  
9           Protection and Affordable Care Act and makes qualified health plans available to  
10          qualified individuals and qualified employers.

11          (4) "Qualified health plan" means a health insurance plan that has in effect  
12          a certification that the qualified health plan meets applicable state or federal  
13          standards required for participation in a health insurance exchange. These may  
14          include minimum standards for essential health benefits, deductibles, copayments,  
15          out-of-pocket maximum amounts, and other requirements.

16          (5) "Qualified health plan issuer" means a health insurance issuer that offers  
17          a qualified health plan in accordance with a certification from an exchange.

18          §1260.33. Notice requirements

19                 A. Timing of notice to physician or provider of grace period status.

20                 (1) When a physician or other healthcare provider or his representative  
21                 requests information regarding an enrollee from a qualified health plan issuer about  
22                 eligibility, coverage, or health plan benefits, or the status of a claim or claims for  
23                 services provided, and the request or service is for a date within the second or third  
24                 month of a grace period, the qualified health plan issuer shall clearly identify that the  
25                 applicable enrollee is in the grace period and provide additional information as  
26                 required by this Subpart.

27                 (2) Unless the qualified health plan issuer makes the notice available on its  
28                 website or by other electronic means, the qualified health plan issuer shall provide  
29                 the notice through the same medium through which the physician or other healthcare

1 provider or his representative sought the information from the qualified health plan  
2 issuer pursuant to Paragraph (1) of this Subsection.

3 (3) The information provided about the enrollee's grace period status shall  
4 be binding on the qualified health plan pursuant to this Subpart.

5 B. Specific notice requirements.

6 (1) If the qualified health plan issuer informs the physician or other  
7 healthcare provider or his representative that the enrollee is eligible for services but  
8 not that the enrollee is in the grace period, the determination shall be binding on the  
9 qualified health plan issuer and it shall pay the claims for covered services in  
10 accordance with the qualified health plan.

11 (2) The binding determination shall preclude the qualified health plan issuer  
12 from seeking to recoup payment from the physician or other healthcare provider for  
13 services rendered during the grace period.

14 (3) If the qualified health plan issuer informs the physician or other  
15 healthcare provider that the enrollee is in a grace period, he shall then provide further  
16 notification pursuant to Subsection C of this Section.

17 C. Contents of notice. The notice to the physician or other healthcare  
18 provider shall include but not be limited to the following:

- 19 (1) Purpose of the notice.
- 20 (2) The full legal name of the enrollee and any unique identifying numbers.
- 21 (3) The name of the qualified health plan.
- 22 (4) The unique health plan identifier of the qualified health plan.
- 23 (5) The name of the qualified health plan issuer.
- 24 (6) The specific date upon which the grace period for the enrollee began and  
25 the specific date upon which the grace period will expire.

26 D. In a conspicuous location on a qualified health plan website, the qualified  
27 health plan issuer shall provide the following information:

28 (1) Whether the qualified health plan issuer will hold any claims of the  
29 physician or other healthcare provider for services that the physician or other  
30 healthcare provider furnishes to the enrollee during the grace period.

1           (2) A statement indicating that should the qualified health plan issuer  
2           indicate that it will pay some or all of the claims for services provided to an enrollee  
3           during the grace period, whether and how it will seek to recoup claims payments  
4           made to physicians or healthcare providers for services furnished during the grace  
5           period.

6           §1260.34. Strict compliance required

7           A qualified health plan issuer shall be obligated to pay for any covered claims  
8           for services rendered during a grace period if he has failed to strictly comply with the  
9           provisions of this Subpart. Such payment shall be in accordance with the terms of  
10          the qualified health plan.

11          §1260.35. Deadline for overpayment recoveries

12          If the qualified health plan issuer seeks to recoup or otherwise recover  
13          payments made to the physician or other healthcare provider for services furnished  
14          to an enrollee during the grace period and that enrollee's coverage is subsequently  
15          cancelled for nonpayment of premium, the qualified health plan issuer shall  
16          commence such recovery or recoupment efforts no later than sixty days after the  
17          expiration of the grace period. Any attempts to recover payments that are  
18          commenced subsequent to this sixty-day period shall be null and void.

19          §1260.36. Waiver prohibited

20          The provisions of this Subpart cannot be waived by contract. Any  
21          contractual arrangements in conflict with the provisions of this Subpart or that  
22          purport to waive any requirements of this Subpart are null and void.

23          §1260.37. Injunction and penalties

24          Any physician or other healthcare provider may request a court of appropriate  
25          jurisdiction to issue an injunction to enforce any provision of this Subpart.

26          §1260.38. Rules and regulations

27          The commissioner of insurance shall promulgate all rules and regulations  
28          which are necessary and proper to carry out the provisions of this Subpart. All rules  
29          and regulations promulgated pursuant to this Subpart shall be in accordance with the  
30          Administrative Procedure Act.

1           Section 2. If any provision of this Act or the application thereof is held invalid, such  
2           invalidity shall not affect other provisions or applications of this Act which can be given  
3           effect without the invalid provisions or applications, and to this end the provisions of this  
4           Act are hereby declared severable. The severability provision of this Section shall be  
5           broadly construed as to give effect to each and every possible provision or application of this  
6           Act which is not specifically held invalid, unlawful, or unconstitutional.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES

---

PRESIDENT OF THE SENATE

---

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_