

2016 Regular Session

SENATE BILL NO. 316

BY SENATOR DONAHUE

HEALTH/ACC INSURANCE. Provides relative to balance billing by and reimbursement of noncontracted facility-based physicians for covered health care services rendered in an in-network health care facility. (8/1/16)

1 AN ACT

2 To enact R.S. 22:1882, relative to noncontracted facility-based physicians providing covered

3 health care services rendered in an in-network health care facility; to provide with

4 respect to reimbursement of such physicians by health insurance issuers; to provide

5 relative to balance billing by such physicians; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1882 is hereby enacted to read as follows:

8 **§1882. Payment of claims for covered health care services provided by**

9 **noncontracted facility-based physicians in in-network health care**

10 **facilities; balance billing**

11 **A. For purposes of this Section, "noncontracted facility-based physician"**

12 **means a physician licensed to practice medicine who is required by a base**

13 **health care facility to provide services in the base health care facility, including**

14 **an anesthesiologist, hospitalist, intensivist, neonatologist, pathologist, or**

15 **radiologist, that does not contract with a health insurance issuer.**

16 **B.(1) A health insurance issuer shall directly pay a claim by a**

17 **noncontracted facility-based physician for covered health care services**

1 rendered to a patient, enrollee, or insured in an in-network health care facility  
2 and shall reimburse him in an amount not less than the greatest of one of the  
3 following:

4 (a)(i) The amount negotiated with contracted facility-based physicians  
5 for covered health care services that are imposed with respect to the enrollee or  
6 insured, excluding any applicable in-network coinsurance, in-network  
7 copayments, deductibles, or noncovered services.

8 (ii) If there is more than one amount negotiated with contracted  
9 providers for covered health care services, the amount shall be the median of  
10 those amounts.

11 (iii) If a health insurance issuer has more than one negotiated amount for  
12 contracted facility-based physicians for a particular covered health care service,  
13 this amount shall be the median of those negotiated amounts. In determining  
14 such median, the amount negotiated with each in-network provider shall be  
15 treated as a separate amount regardless of whether the same amount is paid to  
16 more than one provider.

17 (iv) This Subparagraph shall not apply to capitated or other health  
18 insurance issuers that do not have a negotiated per-service amount for  
19 contracted facility-based physicians.

20 (b) The amount calculated for the covered health care services using the  
21 same method that the health insurance issuer generally uses to determine  
22 payments for out-of-network health care services, excluding any applicable  
23 in-network coinsurance, in-network copayments, deductibles, or noncovered  
24 services. The amount specified in this Paragraph shall be determined without  
25 regard for out-of-network cost sharing that generally applies under the policy  
26 or subscriber agreement with respect to out-of-network services.

27 (c) The amount that would be paid under Medicare for the covered  
28 health care services, excluding any applicable in-network coinsurance,  
29 in-network copayments, deductibles, or noncovered services.



facility, including an anesthesiologist, hospitalist, intensivist, neonatologist, pathologist, or radiologist, that does not contract with a health insurance issuer.

Proposed law provides with respect to reimbursement of noncontracted facility-based physicians for covered health care services rendered in an in-network health care facility as follows:

- (1) Requires a health insurance issuer to pay a claim directly by a noncontracted facility-based physician for covered health care services rendered to a patient, enrollee, or insured in an in-network health care facility and to reimburse him in an amount not less than the greatest of the following:
  - (a) The amount negotiated with contracted facility-based physicians for covered health care services that are imposed with respect to the enrollee or insured, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Further provides that if there is more than one amount negotiated with contracted providers for covered health care services, the amount shall be the median of those amounts. Additionally provides that if a health insurance issuer has more than one negotiated amount for contracted facility-based physicians for a particular covered health care service, the amount shall be the median of those negotiated amounts. Provides that, in determining such median, the amount negotiated with each in-network provider shall be treated as a separate amount regardless of whether the same amount is paid to more than one provider. Also specifies that for capitated or other health insurance issuers that do not have a negotiated per-service amount for contracted facility-based physicians, these provisions shall not apply.
  - (b) The amount calculated for the covered health care services using the same method that the health insurance issuer generally uses to determine payments for out-of-network health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Specifies that this amount shall be determined without regard for out-of-network cost sharing that generally applies under the policy or subscriber agreement with respect to out-of-network services.
  - (c) The amount that would be paid under Medicare for the covered health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.
- (2) Provides that payment of such a claim by a health insurance issuer shall in no circumstance be made directly to a patient, enrollee, or insured.
- (3) Provides that a health insurance issuer shall be liable for reimbursement to a noncontracted facility-based physician for covered health care services, except for any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Further provides that a patient, enrollee, or insured shall be indemnified and held harmless by a health insurance issuer for payment of a claim for covered health care services, except for such amounts. Prohibits a noncontracted facility-based physician from billing a patient, enrollee, or insured for reimbursement for covered health care services, except for such amounts.

Effective August 1, 2016.

(Adds R.S. 22:1882)