DIGEST

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HB 424 Original 2019 Regular Session Stagni

Abstract: Requires the provision of certain information for the denial of claims and prior authorization requests.

Proposed law defines the term "prior authorization" to mean any situation in which the La. Dept. of Health (LDH) or a managed care organization (MCO) does not fully approve of services or items being requested by a healthcare provider, including any situation in which a service or item other than the exact service or item requested is approved.

Present law provides that when a claim for payment is denied in whole or in part and the denial is remitted in the standard paper format, then the organization shall, in addition to providing all information required, include a claim denial reason code specific to each CPT code listed that matches or is equivalent.

Proposed law provides that when claims are denied by the MCO based upon an opinion or interpretation by the MCO of a law, regulation, policy, procedure, or medical criteria or guideline, then the MCO shall provide with the remittance advice either instructions for accessing such sourse in the public domain or an actual copy.

Present law provides that when a claim for payment is denied in whole or in part and the denial is remitted electronically, then the organization shall, in addition to providing all information required, include an American National Standards Institute compliant reason and remark code and shall make available to the provider of the service a complimentary standard paper format remittance advice that contains a claim denial reason code specific to each CPT code listed that matches or is equivalent.

Proposed law provides that when a claim is denied by the MCO based upon an opinion or interpretation by the MCO of a law, regulation, policy, procedure, or medical criteria or guideline, then the MCO shall include a copy of that source in the remittance advice or an equivalent notice of the claim denial.

Proposed law provides that the prior authorization requirements shall be based on publicly available clinical criteria and posted in an easily searchable format on the respective website of the MCO and LDH and shall include the date of last review.

Proposed law requires that if LDH or an MCO denies a prior authorization request, then LDH or the MCO shall provide written notice to the provider requesting the prior authorization of the denial within three business days of making the decision.

(Amends R.S. 46:460.71(C); Adds 46:460.51(15) and 460.74)