SLS 21RS-251 ENGROSSED

2021 Regular Session

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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

2 To amend and reenact R.S. 22:1016(A) and to enact R.S. 22:1828 and 1964(30), relative to health insurance; to provide for provider claim payment and data information 3 protections; to provide for definitions; to provide for payment by electronic funds 4 5 transfer; to provide for violations; to provide for unfair or deceptive acts or practices 6 in the business of insurance; and to provide for related matters. 7 Be it enacted by the Legislature of Louisiana: 8 Section 1. R.S. 22:1016(A)is hereby amended and reenacted and R.S. 22:1828 and 9 1964(30) are hereby enacted to read as follows: 10 §1016. Regulation by the Department of Insurance and the Department of Health of 11 prepaid entities participating in the Louisiana Medicaid Program A. Notwithstanding any law to the contrary, any prepaid entity that 12 13 participates in the Louisiana Medicaid Program is required to obtain an insurer license or certificate of authority from the Louisiana Department of Insurance. Such 14 a prepaid The prepaid entity participating in the Louisiana Medicaid Program shall 15 be regulated by the Louisiana Department of Insurance with respect to licensure and 16 financial solvency but shall, solely with respect to its products and services offered 17

pursuant to the Louisiana Medicaid Program, be regulated by the Louisiana Department of Health subject to 42 USCA §1396 et seq., and all applicable federal and state laws, rules, and regulations relating to the Louisiana Medicaid Program. The Louisiana Department of Health shall have the authority to may adopt and promulgate such rules and regulations, including certification, relating to the Louisiana Medicaid Program. Except for licensure, and financial solvency requirements, and the provisions of R.S. 22:1828, no other provisions of this Title shall apply to a prepaid entity with respect to the participation of the prepaid entity in the Louisiana Medicaid Program.

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§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 clearing-house 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, any other entity providing a plan of health insurance or health benefits, or a "managed care organization" as defined by 42 CFR 438.2.

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

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1 shall provide the requested documentation within two business days of the 2 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 3 the documentation through the use of a provider portal or other electronic 4 5 means. All information or documentation required to be provided by this Section to a health care provider by a health insurance issuer, whether by 6 7 physical copy or electronic access, shall be provided at no cost to the health care 8 provider. 9 C.(1) Any health insurance plan issued, amended, or renewed on or after 10 January 1, 2022, between a health insurance insurer, its contracted vendor or 11 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 12 13 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 14 15 a transaction fee, provider subscription fee, or any other type of fee or cost in 16 order to accept payment from the health insurance issuer or that results in a 17 monetary reduction in the payment to the health care provider for the health care services rendered. 18 19 (2) If initiating or changing payments to a health care provider using 20 electronic funds transfer payments the health insurance issuer, its contracted 21 vendor, or agent shall: 22 (a) Notify the health care provider if any fees are associated with a 23 particular payment method. 24 (b) Advise the provider of the available methods of payment and provide instructions to the health care provider for selection of an alternative payment 25 method that does not require the health care provider to pay a transaction fee, 26 27 provider subscription fee, or any other type of fee or cost in order for the health 28 care provider to accept payment from the health insurance issuer.

D. The provisions of this Section shall not be waived by contract, and any

1 contractual clause in conflict with the provisions of this Section or that purport 2 to waive the requirements of this Section shall be null and void. 3 E. Any violation of the provision of this Section shall be declared and deemed to be unfair methods of competition and unfair or deceptive acts or 4 practices in the business of insurance and subject to the provisions of Part IV 5 of Chapter 7 of this Title. 6 7 8 §1964. Methods, acts, and practices which are defined as unfair or deceptive 9 The following are declared to be unfair methods of competition and unfair 10 or deceptive acts or practices in the business of insurance: 11 12 (30) Any violation of R.S. 22:1828.

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

DIGEST 2021 Regular Session

Jackson

SB 130 Engrossed

<u>Proposed law</u> 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 a health care provider submits a request either orally or in writing to a health insurance issuer, the health insurance issuer shall provide, within two business days of the request, a copy of all documentation transmitted between the health care provider and the health insurance issuer at no cost to the health care provider. Allows electronic access to the documentation.

<u>Proposed law</u> provides that any health insurance plan 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> provides that violations of <u>proposed law</u> are deemed unfair methods of competition and subject to provisions regarding unfair or deceptive acts or practices according to present law.

Effective August 1, 2021.

(Amends R.S. 22:1016(A); adds R.S. 22:1828 and 1964(30))

Summary of Amendments Adopted by Senate

 $\frac{Committee\ Amendments\ Proposed\ by\ Senate\ Committee\ on\ Insurance\ to\ the\ original}{\underline{bill}}$

1. Makes technical changes.