

Regular Session, 2014

SENATE BILL NO. 497

BY SENATOR HEITMEIER

HEALTH CARE. Provides for the payment of health care services. (8/1/14)

1 AN ACT
2 To amend and reenact R.S. 40:2203.1, relative to prohibition of certain practices by
3 preferred provider organizations; and to provide for related matters.
4 Be it enacted by the Legislature of Louisiana:
5 Section 1. R.S. 40:2203.1 is hereby amended and reenacted to read as follows:
6 §2203.1. Prohibition of certain practices by preferred provider organizations
7 A. Except as otherwise provided in this Subsection, the requirements of this
8 Section shall apply to ~~all~~ **any** preferred provider organization agreements ~~that are~~
9 applicable to medical services rendered in this state and to group purchasers as
10 defined in this Part. The provisions of this Section shall not apply to a group
11 purchaser when providing health benefits through its own network or direct provider
12 agreements or to such agreements of a group purchaser.
13 B. A preferred provider organization's alternative rates of payment shall not
14 be enforceable or binding upon any provider unless such organization is clearly
15 identified on the benefit card issued by the group purchaser or other entity accessing
16 a **the** group purchaser's contractual agreement or agreements and presented to the
17 participating provider when medical care is provided. When more than one preferred

1 provider organization is shown on the benefit card of a group purchaser or other
2 entity, the applicable contractual agreement that shall be binding on a provider shall
3 be determined as follows:

4 (1) The first preferred provider organization domiciled in this state, listed on
5 the benefit card, beginning on the front of the card, reading from left to right, line by
6 line, from top to bottom, that is applicable to a **specific** provider on the date medical
7 care is rendered, shall establish the contractual agreement for payment that shall
8 apply.

9 (2) If there is no preferred provider organization domiciled in this state listed
10 on the benefit card, the first preferred provider organization domiciled outside this
11 state listed on the benefit card, following the same process outlined in Paragraph (1)
12 of this Subsection shall establish the contractual agreement for **any** payment that
13 shall apply.

14 (3) The side of the benefit card that prominently identifies the name of the
15 insurer, or plan sponsor and beneficiary shall be deemed to be the front **side** of the
16 card.

17 (4) When no preferred provider organization is listed, the plan sponsor **or**
18 **sponsors** or insurer identified by the card shall be deemed to be the group purchaser
19 for purposes of this Section.

20 (5) When no benefit card is issued or utilized by a group purchaser or other
21 entity, written notification shall be required of **any each** entity accessing an existing
22 group purchaser's contractual agreement or agreements at least thirty days prior to
23 accessing services through a participating provider under such agreement or
24 agreements.

25 C. A preferred provider organization agreement shall not be applied or used
26 on a retroactive basis unless all providers of medical services that are affected by the
27 application of alternative rates of payment receive written notification from the entity
28 that seeks such an arrangement and agree in writing to be reimbursed at the
29 alternative ~~rates~~ **rate** of payment.

1 D. In no instance shall any provider be bound by the terms of a preferred
2 provider organization agreement that is in violation of **any provisions of** this Part.

3 E. Any claim submitted by a provider for services provided to a person
4 identified by the provider and a group purchaser as eligible for alternative rates of
5 payment in a preferred provider agreement shall be subject to ~~the~~ **all** standards for
6 claims submission and timely payment according to the provisions of Subpart B of
7 Part II of Chapter 6 of Title 22 of the Louisiana Revised Statutes of 1950.

8 F. A group purchaser establishing a preferred provider organization shall be
9 prohibited from charging a credentialing fee or any other type of monetary fee, when
10 no access to a group purchaser is **otherwise** provided. Any provider who participates
11 in a preferred provider organization may be charged a reasonable fee either on a
12 periodic basis or based on the tangible benefits received from continued participation
13 in a preferred provider organization. Such fees may be based on actual utilization of
14 alternative rates of payment by group purchasers or other authorized entities or other
15 reasonable basis other than membership.

16 G. Failure to comply with the provisions of Subsection A, B, C, D, or F of
17 this Section shall subject a group purchaser to damages payable to the provider of
18 double the fair market value of the medical services provided, but in no event less
19 than the greater of fifty dollars per day of noncompliance or two thousand dollars,
20 together with attorney fees to be determined by the court. A provider ~~may~~ **shall**
21 institute this action in any court of competent jurisdiction.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Heitmeier (SB 497)

Proposed law makes technical changes.

Effective August 1, 2014.

(Amends R.S. 40:2203.1.)