

2021 Regular Session

HOUSE BILL NO. 201

BY REPRESENTATIVE TURNER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MEDICAID MANAGED CARE: Requires indemnification of healthcare providers by Medicaid managed care organizations in certain circumstances

1 AN ACT

2 To enact R.S. 46:460.75, relative to the medical assistance program of this state known
3 commonly as Medicaid; to provide relative to administration of the Medicaid
4 managed care program; to provide relative to adjudication of healthcare provider
5 claims by Medicaid managed care organizations; to require indemnification of
6 healthcare providers by Medicaid managed care organizations in certain
7 circumstances; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 46:460.75 is hereby enacted to read as follows:

10 §460.75. Claim adjudication; indemnification

11 A. In all cases in which a managed care organization adjudicates a claim
12 which is properly billed by a healthcare provider in accordance with the rules and
13 regulations of the Louisiana Medicaid program and an overpayment to the provider
14 results due to an error of the managed care organization, the managed care
15 organization shall indemnify the provider for any fine or penalty levied by the
16 Louisiana Medicaid program as a result of the overpayment.

17 B. The managed care organization shall cause any indemnification required
18 by Subsection A of this Section to be made within thirty calendar days from the date
19 the healthcare provider provides written notice to the managed care organization of

1 payment of the fine or penalty along with a copy of the fine or penalty notification
2 from the department.
3 C. If the managed care organization fails to indemnify the provider within
4 the period specified in Subsection B of this Section, the amount of the fine or penalty
5 shall be considered an open account and subject to the provisions of R.S. 9:2781.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 201 Original

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Turner

Abstract: Requires indemnification of healthcare providers by Medicaid managed care organizations in cases of payments made in error by those organizations.

Proposed law provides that in all cases in which a Medicaid managed care organization (MCO) adjudicates a claim which is properly billed by a healthcare provider and an overpayment to the provider results due to an error of the MCO, the MCO shall indemnify the provider for any fine or penalty levied by the state Medicaid program as a result of the overpayment.

Proposed law requires MCOs to cause any indemnification required by proposed law to be made within 30 calendar days from the date the healthcare provider provides written notice to the MCO of payment of the fine or penalty along with a copy of the fine or penalty notification from the state Medicaid agency.

Proposed law stipulates that if the MCO fails to indemnify the provider within the period specified in proposed law, the amount of the fine or penalty shall be considered an open account and subject to the provisions of present law relative to liability for payment of such accounts (R.S. 9:2781).

(Adds R.S. 46:460.75)