SLS 10RS-1716 ENGROSSED

Regular Session, 2010

SENATE BILL NO. 710

BY SENATOR CHEEK

HEALTH/ACC INSURANCE. Requires the health insurance issuer to pay any new provider to the contracted network of providers the contracted reimbursement rate of the network. (8/15/10)

AN ACT 1 2 To enact R.S. 22:1874(A)(5), relative to billing by contracted health care providers; to 3 provide with respect to the payment to any new provider to the contracted network 4 of providers; and to provide for related matters. 5 Be it enacted by the Legislature of Louisiana: Section 1. R.S. 22:1874(A)(5) is hereby enacted to read as follows: 6 7 §1874. Billing by contracted health care providers 8 Α. 9 (5)(a) Under certain circumstances and when the provisions of 10 Subparagraph (b) are met, a health insurance issuer contracting with a group 11 of physicians that bills a health insurance issuer utilizing a group identification number, such as the group federal tax identification number or the group 12 13 National Provider Identifier as set forth in 45 CFR162.402 et seq., shall pay the contracted reimbursement rate of the physician group for covered health care 14 services rendered by a new physician to the group, without health care provider 15 credentialing as described in R.S. 22:1009. This provision shall apply in either 16 of the following circumstances: 17

1 (i) When the new physician has already been credentialed by the health 2 insurance issuer and the physician's credentialing is still active with the issuer. (ii) When the health insurance issuer has received the required 3 credentialing application and information, including proof of active hospital 4 5 privileges, from the new physician and the issuer has not notified the physician group that credentialing of the new physician has been denied. 6 7 (b) A health insurance issuer shall comply with the provisions of 8 Subparagraph (a) of this Paragraph no later than thirty days of receipt of a 9 written request from the physician group. The written request shall include a 10 statement that the physician group agrees that all contract provisions, including the provision holding covered persons harmless for charges beyond 11 reimbursement by the issuer and deductible, coinsurance and copayments, 12 13 apply to the new physician. Such compliance shall apply to any claims for covered services rendered by the new physician to covered persons on dates of 14 service no earlier than the date of the written request from the physician group. 15 (c) Compliance by a health insurance issuer with the provisions of 16 Subparagraph (a) shall not be construed to mean that a physician has been 17 credentialed by an issuer or that the issuer is required to list the physician in a 18 19 directory of contracted physicians. 20

The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Greg Waddell.

## **DIGEST**

Cheek (SB 710)

<u>Proposed law</u> provides that when certain circumstances are met, a health insurance issuer contracting with a group of physicians that bills a health insurance issuer utilizing a group identification number, shall pay the contracted reimbursement rate of the physician group for covered health care services rendered by a new physician to the group, without health care provider credentialing as described in <u>present law</u>.

<u>Proposed law</u> provides that a health insurance issuer shall comply with the provisions of <u>proposed law</u> no later than 30 days of receipt of a written request from the physician group.

<u>Proposed law</u> provides for the requirements of the written request.

Effective August 15, 2010.

(Adds R.S. 22:1874(A)(5))

## Summary of Amendments Adopted by Senate

## <u>Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill.</u>

- 1. Removes provisions which require a health insurance issuer contracting with a network of providers that bills a health insurance issuer utilizing a group identification number to pay any new provider to the contracted network of providers, the contracted reimbursement rate of the network for a period of 180 days from the date of the first bill.
- 2. Removes provision which required the new provider to the network of contracted providers to be credentialed by a contracted base health care facility of the health insurance issuer.
- 3. Requires that when certain circumstances are met, a health insurance issuer contracting with a group of physicians that bills a health insurance issuer utilizing a group identification number shall pay the contracted reimbursement rate of the physician group for covered health care services rendered by a new physician to the group.
- 4. Requires compliance by a health insurance issuer no later than 30 days of receipt of a written request from the physician group and provides for the requirements of the written request.