

Regular Session, 2010

SENATE BILL NO. 710

BY SENATOR CHEEK

HEALTH/ACC INSURANCE. Provides relative to payments by a health insurance issuer for services rendered by a new physician in a physician group and options if such physician does not meet credentialing requirements. (1/1/11)

1 AN ACT

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:

6 Section 1. R.S. 22:1874(A)(5) is hereby enacted to read as follows:

7 §1874. Billing by contracted health care providers

8 A. \* \* \*

9 (5)(a) Under certain circumstances and when the provisions of  
10 Subparagraph (b) of this Paragraph are met, a health insurance issuer  
11 contracting with a group of physicians that bills a health insurance issuer  
12 utilizing a group identification number, such as the group federal tax  
13 identification number or the group National Provider Identifier as set forth in  
14 45 CFR162.402 et seq., shall pay the contracted reimbursement rate of the  
15 physician group for covered health care services rendered by a new physician  
16 to the group, without health care provider credentialing as described in R.S.  
17 22:1009. This provision shall apply in either of the following circumstances:

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.

3           (ii) When the health insurance issuer has received the required  
4           credentialing application and information, including proof of active hospital  
5           privileges, from the new physician and the issuer has not notified the physician  
6           group that credentialing of the new physician has been denied.

7           (b) A health insurance issuer shall comply with the provisions of  
8           Subparagraph (a) of this Paragraph no later than thirty days after 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  
11           the provision holding covered persons harmless for charges beyond  
12           reimbursement by the issuer and deductible, coinsurance and copayments,  
13           apply to the new physician. Such compliance shall apply to any claims for  
14           covered services rendered by the new physician to covered persons on dates of  
15           service no earlier than the date of the written request from the physician group.

16           (c) Compliance by a health insurance issuer with the provisions of  
17           Subparagraph (a) of this Paragraph shall not be construed to mean that a  
18           physician has been credentialed by an issuer or that the issuer is required to list  
19           the physician in a directory of contracted physicians.

20           (d) If, upon compliance with Subparagraph (a) of this Paragraph, a  
21           health insurance issuer, completes the credentialing process on the new  
22           physician and determines that the physician does not meet the issuer's  
23           credentialing requirements either of the following may occur:

24           (i) The health insurance issuer may recover from the physician or the  
25           physician group an amount equal to the difference between appropriate  
26           payments for in-network benefits and out-of-network benefits provided that the  
27           health insurance issuer has notified the applicant physician of the adverse  
28           determination and provided that the health insurance issuer has initiated action  
29           regarding such recovery within thirty days of the adverse determination.



**Summary of Amendments Adopted by Senate****Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill.**

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.

**Senate Floor Amendments to engrossed bill.**

1. Provides relative to recovery of benefits paid and retention of deductibles, coinsurance, or copayments collected when a health insurance issuer determines a physician does not meet credentialing requirements.