SLS 10RS-1716 REENGROSSED

Regular Session, 2010

SENATE BILL NO. 710

BY SENATOR CHEEK

1

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)

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

29

I	(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

regarding such recovery within thirty days of the adverse determination.

(ii) The physician or the physician group may retain any deductible,

coinsurance or copayment collected or in the process of being collected as of the

date of receipt of the issuer's determination, so long as the amount is not in

excess of the amount owed by the insured or enrollee for out-of-network

services.

Section 2. This Act shall become effective on January 1, 2011.

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)

7

<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> in either of the following circumstances:

- (1) The new physician has already been credentialed by the health insurance issuer and such credentialing is still active.
- (2) The health insurance issuer has received the new physician's credentialing application and required documentation, but has not yet notified the physician group that the new physician's credentialing has been denied.

<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 after receipt of a written request from the physician group and additionally provides for the requirements of the written request.

<u>Proposed law</u> provides that if a health insurance issuer determines that a new physician does not meet their credentialing requirements, either of the following may occur:

- (1) The health insurance issuer may recover an amount equal to the difference between the in-network benefits payment and the out-of-network benefits payment from the physician or the physician group, provided notification of the adverse determination was given to the physician and the health issuer initiated action for such recovery within 30 days of the adverse determination.
- (2) The physician or physician group may retain any deductible, coinsurance, or copayment collected or in the process of being collected on the date the issuer's determination is received, if the amount does not exceed the amount owed by the insured or enrollee for out-of-network services.

Effective January 1, 2011.

(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.

## 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.