

SENATE BILL NO. 710

BY SENATOR CHEEK

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AN ACT

To enact R.S. 22:1874(A)(5), relative to billing by contracted health care providers; to provide with respect to the payment to any new provider to the contracted network of providers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

§1874. Billing by contracted health care providers

A. \* \* \*

**(5)(a) Under certain circumstances and when the provisions of Subparagraph (b) of this Paragraph are met, a health insurance issuer contracting with a group of physicians that bills a health insurance issuer utilizing a group identification number, such as the group federal tax 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 physician group for covered health care services rendered by a new physician to the group, without health care provider credentialing as described in R.S. 22:1009. This provision shall apply in either of the following circumstances:**

**(i) When the new physician has already been credentialed by the health insurance issuer and the physician's credentialing is still active with the issuer.**

**(ii) When the health insurance issuer has received the required credentialing application and information, including proof of active hospital**

1 privileges, from the new physician and the issuer has not notified the physician  
2 group that credentialing of the new physician has been denied.

3 (b) A health insurance issuer shall comply with the provisions of  
4 Subparagraph (a) of this Paragraph no later than thirty days after receipt of a  
5 written request from the physician group. The written request shall include a  
6 statement that the physician group agrees that all contract provisions, including  
7 the provision holding covered persons harmless for charges beyond  
8 reimbursement by the issuer and deductible, coinsurance and copayments,  
9 apply to the new physician. Such compliance shall apply to any claims for  
10 covered services rendered by the new physician to covered persons on dates of  
11 service no earlier than the date of the written request from the physician group.

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

16 (d) If, upon compliance with Subparagraph (a) of this Paragraph, a  
17 health insurance issuer completes the credentialing process on the new  
18 physician and determines that the physician does not meet the issuer's  
19 credentialing requirements, the following actions shall be permitted:

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

26 (ii) The physician or the physician group may retain any deductible,  
27 coinsurance or copayment collected or in the process of being collected as of the  
28 date of receipt of the issuer's determination, so long as the amount is not in  
29 excess of the amount owed by the insured or enrollee for out-of-network  
30 services.

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

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_