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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators DiMario, Miller, Lawson, Valverde, Goldin, and Mendes

Date Introduced: March 18, 2021

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 27-18-65 of the General Laws in Chapter 27-18 entitled "Accident  
2 and Sickness Insurance Policies" is hereby amended to read as follows:

3           **27-18-65. Post-payment audits.**

4           (a) Except as otherwise provided herein, any review, audit, or investigation by a health  
5 insurer or health plan of a healthcare provider's claims that results in the recoupment or set-off of  
6 funds previously paid to the healthcare provider in respect to such claims shall be completed no  
7 later than ~~eighteen (18)~~ twelve (12) months after the completed claims were initially paid. This  
8 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
9 fraudulently; are known, or should have been known, by the healthcare provider to be a pattern of  
10 inappropriate billing according to the standards for provider billing of their respective medical or  
11 dental specialties; are related to coordination of benefits; are duplicate claims; or are subject to any  
12 federal law or regulation that permits claims review beyond the period provided herein.

13           (b) No healthcare provider shall seek reimbursement from a payer for underpayment of a  
14 claim later than ~~eighteen (18)~~ twelve (12) months from the date the first payment on the claim was  
15 made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's  
16 claims appeal policies or the claim is subject to continual claims submission.

17           (c) For the purposes of this section, "healthcare provider" means an individual clinician,  
18 either in practice independently or in a group, who provides healthcare services, and any healthcare  
19 facility, as defined in § 27-18-1.1, including any mental health and/or substance abuse treatment

1 facility, physician, or other licensed practitioner as identified to the review agent as having primary  
2 responsibility for the care, treatment, and services rendered to a patient.

3 (d) Except for those contracts where the health insurer or plan has the right to unilaterally  
4 amend the terms of the contract, the parties shall be able to negotiate contract terms that allow for  
5 different time frames than is prescribed herein.

6 SECTION 2. Section 27-19-56 of the General Laws in Chapter 27-19 entitled "Nonprofit  
7 Hospital Service Corporations" is hereby amended to read as follows:

8 **27-19-56. Post-payment audits.**

9 (a) Except as otherwise provided herein, any review, audit, or investigation by a nonprofit  
10 hospital service corporation of a healthcare provider's claims that results in the recoupment or set-  
11 off of funds previously paid to the healthcare provider in respect to such claims shall be completed  
12 no later than ~~eighteen (18)~~ twelve (12) months after the completed claims were initially paid. This  
13 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
14 fraudulently; are known, or should have been known, by the healthcare provider to be a pattern of  
15 inappropriate billing according to the standards for provider billing of their respective medical or  
16 dental specialties; are related to coordination of benefits; are duplicate claims; or are subject to any  
17 federal law or regulation that permits claims review beyond the period provided herein.

18 (b) No healthcare provider shall seek reimbursement from a payer for underpayment of a  
19 claim later than ~~eighteen (18)~~ twelve (12) months from the date the first payment on the claim was  
20 made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's  
21 claims appeal policies or the claim is subject to continual claims submission.

22 (c) For the purposes of this section, "healthcare provider" means an individual clinician,  
23 either in practice independently or in a group, who provides healthcare services, and any healthcare  
24 facility, as defined in § 27-18-1.1, including any mental health and/or substance abuse treatment  
25 facility, physician, or other licensed practitioner identified to the review agent as having primary  
26 responsibility for the care, treatment, and services rendered to a patient.

27 (d) Except for those contracts where the health insurer or plan has the right to unilaterally  
28 amend the terms of the contract, the parties shall be able to negotiate contract terms that allow for  
29 different time frames than is prescribed herein.

30 SECTION 3. Section 27-20-51 of the General Laws in Chapter 27-20 entitled "Nonprofit  
31 Medical Service Corporations" is hereby amended to read as follows:

32 **27-20-51. Post-payment audits.**

33 (a) Except as otherwise provided herein, any review, audit, or investigation by a nonprofit  
34 medical service corporation of a healthcare provider's claims that results in the recoupment or set-

1 off of funds previously paid to the healthcare provider in respect to such claims shall be completed  
2 no later than ~~eighteen (18)~~ twelve (12) months after the completed claims were initially paid. This  
3 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
4 fraudulently; are known, or should have been known, by the healthcare provider to be a pattern of  
5 inappropriate billing according to the standards for provider billing of their respective medical or  
6 dental specialties; are related to coordination of benefits; are duplicate claims; or are subject to any  
7 federal law or regulation that permits claims review beyond the period provided herein.

8 (b) No healthcare provider shall seek reimbursement from a payer for underpayment of a  
9 claim later than ~~eighteen (18)~~ twelve (12) months from the date the first payment on the claim was  
10 made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's  
11 claims appeal policies or the claim is subject to continual claims submission.

12 (c) For the purposes of this section, "healthcare provider" means an individual clinician,  
13 either in practice independently or in a group, who provides healthcare services, and any healthcare  
14 facility, as defined in § 27-20-1, including any mental health and/or substance abuse treatment  
15 facility, physician, or other licensed practitioner identified to the review agent as having primary  
16 responsibility for the care, treatment, and services rendered to a patient.

17 (d) Except for those contracts where the health insurer or plan has the right to unilaterally  
18 amend the terms of the contract, the parties shall be able to negotiate contract terms which allow  
19 for different time frames than is prescribed herein.

20 SECTION 4. Section 27-41-69 of the General Laws in Chapter 27-41 entitled "Health  
21 Maintenance Organizations" is hereby amended to read as follows:

22 **27-41-69. Post-payment audits.**

23 (a) Except as otherwise provided herein, any review, audit, or investigation by a health  
24 maintenance organization of a healthcare provider's claims that results in the recoupment or set-off  
25 of funds previously paid to the healthcare provider in respect to such claims shall be completed no  
26 later than ~~eighteen (18)~~ twelve (12) months after the completed claims were initially paid. This  
27 section shall not restrict any review, audit, or investigation regarding claims that are submitted  
28 fraudulently; are known, or should have been known, by the healthcare provider to be a pattern of  
29 inappropriate billing according to the standards for provider billing of their respective medical or  
30 dental specialties; are related to coordination of benefits; are duplicate claims; or are subject to any  
31 federal law or regulation that permits claims review beyond the period provided herein.

32 (b) No healthcare provider shall seek reimbursement from a payer for underpayment of a  
33 claim later than ~~eighteen (18)~~ twelve (12) months from the date the first payment on the claim was  
34 made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's

1 claims appeal policies or the claim is subject to continual claims submission.

2 (c) For the purposes of this section, "healthcare provider" means an individual clinician,  
3 either in practice independently or in a group, who provides healthcare services, and any healthcare  
4 facility, as defined in § 27-41-2, including any mental health and/or substance abuse treatment  
5 facility, physician, or other licensed practitioner identified to the review agent as having primary  
6 responsibility for the care, treatment, and services rendered to a patient.

7 (d) Except for those contracts where the health insurer or plan has the right to unilaterally  
8 amend the terms of the contract, the parties shall be able to negotiate contract terms which allow  
9 for different time frames than is prescribed herein.

10 SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

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1           This act would require insurance providers to seek recoupment or set off of insurance  
2 payments made to health care providers within twelve (12) months and require health care  
3 providers to seek reimbursement for underpayment within twelve (12) months.

4           This act would take effect upon passage.

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