

**2014 -- S 2536 SUBSTITUTE A**

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LC004562/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2014**

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A N A C T

RELATING TO INSURANCE - ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senator Gayle L. Goldin

Date Introduced: February 27, 2014

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. [Effective January 1, 2014.] --** (a) Except as otherwise  
4 provided herein, any review, audit or investigation by a health insurer or health plan of a health  
5 care provider's claims which results in the recoupment or set-off of funds previously paid to the  
6 health care provider in respect to such claims shall be completed no later than eighteen (18)  
7 months after the completed claims were initially paid. This section shall not restrict any review,  
8 audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of  
9 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to  
10 any federal law or regulation that permits claims review beyond the period provided herein.

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

15           (c) For the purposes of this section, "health care provider" means an individual clinician,  
16 either in practice independently or in a group, who provides health care services, and ~~otherwise~~  
17 ~~referred to as a non-institutional provider~~ any healthcare facility, as defined in § 27-18-1.1  
18 including any mental health and/or substance abuse treatment facility, physician, or other licensed  
19 practitioner as identified to the review agent as having primary responsibility for the care,

1 [treatment, and services rendered to a patient.](#)

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

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

7 **27-19-56. Post-payment audits. [Effective January 1, 2014.]** -- (a) Except as otherwise  
8 provided herein, any review, audit or investigation by a nonprofit hospital service corporation of a  
9 health care provider's claims which results in the recoupment or set-off of funds previously paid  
10 to the health care provider in respect to such claims shall be completed no later than eighteen (18)  
11 months after the completed claims were initially paid. This section shall not restrict any review,  
12 audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of  
13 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to  
14 any federal law or regulation that permits claims review beyond the period provided herein.

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

19 (c) For the purposes of this section, "health care provider" means an individual clinician,  
20 either in practice independently or in a group, who provides health care services, and ~~otherwise~~  
21 ~~referred to as a non-institutional provider~~ [any healthcare facility, as defined in § 27-19-1](#)  
22 [including any mental health and/or substance abuse treatment facility, physician, or other licensed](#)  
23 [practitioner identified to the review agent as having primary responsibility for the care, treatment,](#)  
24 [and services rendered to a patient.](#)

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

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

30 **27-20-51. Post-payment audits. [Effective January 1, 2014.]** -- (a) Except as otherwise  
31 provided herein, any review, audit or investigation by a nonprofit medical service corporation of a  
32 health care provider's claims which results in the recoupment or set-off of funds previously paid  
33 to the health care provider in respect to such claims shall be completed no later than eighteen (18)  
34 months after the completed claims were initially paid. This section shall not restrict any review,

1 audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of  
2 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to  
3 any federal law or regulation that permits claims review beyond the period provided herein.

4 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
5 a claim later than eighteen (18) months from the date the first payment on the claim was made,  
6 except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims  
7 appeal policies or the claim is subject to continual claims submission.

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

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

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

19 **27-41-69. Post-payment audits. [Effective January 1, 2014.]** -- (a) Except as otherwise  
20 provided herein, any review, audit or investigation by a health maintenance organization of a  
21 health care provider's claims which results in the recoupment or set-off of funds previously paid  
22 to the health care provider in respect to such claims shall be completed no later than eighteen (18)  
23 months after the completed claims were initially paid. This section shall not restrict any review,  
24 audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of  
25 inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to  
26 any federal law or regulation that permits claims review beyond the period provided herein.

27 (b) No health care provider shall seek reimbursement from a payer for underpayment of  
28 a claim later than eighteen (18) months from the date the first payment on the claim was made,  
29 except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims  
30 appeal policies or the claim is subject to continual claims submission.

31 (c) For the purposes of this section, "health care provider" means an individual clinician,  
32 either in practice independently or in a group, who provides health care services, and ~~otherwise~~  
33 ~~referred to as a non-institutional provider~~ any healthcare facility, as defined in § 27-41-2  
34 including any mental health and/or substance abuse treatment facility, physician, or other licensed

1 [practitioner identified to the review agent as having primary responsibility for the care, treatment,](#)  
2 [and services rendered to a patient.](#)

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

6 SECTION 5. This act shall take effect on January 1, 2015.

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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 expand the definition of "healthcare provider" to include healthcare  
2 facility that treat patients for mental health and/or substance abuse as well as physicians or other  
3 licensed practitioners responsible for care, treatment and services to patients for the purpose of  
4 post-payment audits.

5           This act would take effect on January 1, 2015.

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