State of Tennessee

PUBLIC CHAPTER NO. 26

SENATE BILL NO. 782

By Dickerson

Substituted for: House Bill No. 878

By Cameron Sexton, Ragan

AN ACT to amend Tennessee Code Annotated, Section 71-5-117, relative to recovery of benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-117(c), is amended by deleting the subsection and substituting the following:

(c)(1) For purposes of this subsection (c), "third party for medical services" or "third parties" includes, but is not limited to, a health and liability insurer, an administrator of an ERISA plan, an employee welfare benefit plan, a workers' compensation plan, CHAMPUS, medicare, and other parties that are by statute, contract, or agreement, legally respons ble for payment of a claim for a health care item or service.

(2)(A) The commissioner of finance and administration, the director of the bureau of TennCare, and individual managed care organizations under contract with the state are authorized to require certain information identifying persons covered by third parties for medical services. As a condition of doing business in the state or providing coverage to residents of this state, and subject to subdivision (c)(3), a third party for medical services shall, upon request from the commissioner, the director, or a managed care organization, but no less frequently than monthly, electronically provide full eligibility files that contain information to determine the period that the recipient, the recipient's spouse, or the recipient's dependents may be or may have been covered by the third party. The eligibility files shall also include the nature of the coverage that is or was provided by the third party, the name, address, date of birth, Social Security number, group number, identifying number of the plan, and effective and termination dates.

(B) No third party shall be liable to a policyholder for proper release of this information to the commissioner, the director, or managed care organization.

(C) The information shall be provided pursuant to a written request from the commissioner, the director, or managed care organization, with each third party establishing confidentiality requirements.

(3) Third parties shall respond to any inquiry by the state regarding a claim for payment for any health care item or service that is submitted not later than three (3) years after the date of the provision of such health care item or service.

(4) Third parties shall agree to respond to the request for payment, by providing payment on the claim, written request for additional information with which to process the claim, or written reason for denial of the claim, within ninety (90) working days after receipt of written proof of loss or claim for payment for health care services provided to a recipient of medical assistance who is covered by the entity. Notwithstanding title 56, a failure to pay or deny a claim within one hundred forty (140) days after receipt of the claim constitutes a waiver of any objection to the claim and an obligation to pay the claim.

(5) A payment made by a third party to the bureau or managed care organization under contract with the state shall be considered final thirty (30) months after payment is made. After that date, the amount of the payment is not subject to adjustment.

(6) A third party shall treat a managed care organization as the bureau, for the purposes of providing the managed care organization with access to third-party eligibility and claims data authorized under subdivision (c)(2); complying with the assignment to the managed care organization of a TennCare beneficiary's right to payment; and refraining from denying reimbursement to the managed care organization, for a claim in which both of the following apply:

(A) The beneficiary who is the subject of the claim received a medical item or service through a managed care organization that has entered into a contract with the bureau; and

(B) The bureau has delegated third party responsibilities to the managed care organization.

SECTION 2. This act shall take effect July 1, 2017, the public welfare requiring it.

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PASSED: March 16, 2017

RANDY McNALLY
SPEAKER OF THE SENATE

BETH HARWELL, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 29th **day of** March **2017**

BILL HASLAM, *GOVERNOR*