

State Corporation Commission 2024 Session Fiscal Impact Statement

1. Bill Number: HB123

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Sullivan

3. Committee: Passed Both Houses

4. Title: Health insurance; ethics and fairness in carrier business practices.

5. Summary: Makes various changes to requirements governing the business practices of health carriers in the processing and payment of claims. The bill prescribes criteria for what constitutes a "clean claim." The bill prohibits a carrier from imposing any retroactive denial of a previously paid claim or in any other way seeking recovery or refund of a previously paid claim unless the carrier specifies in writing the specific claim or claims for which the retroactive denial is to be imposed or the recovery or refund is sought and the carrier has provided a written explanation of why the claim is being retroactively adjusted.

The bill provides that the time limit for a retroactive denial is 12 months; however, a provider and a carrier may agree in writing that recoupment of overpayments by withholding or offsetting against future payments may occur after such 12-month limit. The bill requires carriers, beginning no later than July 1, 2025, to make available an electronic means for providers to determine whether an enrollee is covered by a health plan that is subject to the State Corporation Commission's jurisdiction. The bill provides that the ethics and fairness requirements apply to the carrier and provider, regardless of any vendors, subcontractors, or other entities that have been contracted by the carrier or the provider to perform their duties. The bill provides that if a carrier's claim denial is overturned following completion of a dispute review, the carrier is required to consider the claims impacted by such decision as clean claims and all applicable laws related to the payment of a clean claim apply. The bill prohibits a provider from filing a complaint with the State Corporation Commission for failure to pay claims unless such provider has made a reasonable effort to confer with the carrier in order to resolve the issues related to all claims that are under dispute. Finally, the bill requires all provider contracts, amendments, and notices and certain other communications to be delivered electronically. This bill is identical to SB 425.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Fiscal Impact Estimates are Final

8. Fiscal Implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The State Corporation Commission Bureau of Insurance led a work group which developed consensus on a number of revisions to the Ethics & Fairness in Carrier Business Practices Act at the direction of the 2023 General Assembly. House Bill 123 and its companion, Senate Bill 425, reflect the consensus recommendations of the work group.

Date: 02/27/24/V. Tompkins