

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass  
**Vote:** 7 - 0 - 1  
**Yeas:** Berger, Edwards C., Garrard, Gelser, Jenson, Read, Roblan  
**Nays:** 0  
**Exc.:** Nolan  
**Prepared By:** Barbara Allen, Administrator  
**Meeting Dates:** 6/8, 6/10, 6/24

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**WHAT THE MEASURE DOES:** Requires health insurers to request refunds from providers within 24 months of date of payment. Prescribes process for a health insurer to complete in order to receive refund as either a primary or secondary payer. Prohibits provider from requesting additional payments more than 24 months after payment is received. Gives provider 30 days to contest refund and an additional 30 days to pay refund. Establishes that failure to pay after 30 days results in future offset by insurer. Requires health insurers and providers to pay contested refund within six months of request. Permits health insurer to request, at any time, a refund if the claim was the responsibility of a government entity or third party payer (TPP), and TPP has already paid provider. Establishes that health insurer is not prevented from requesting refund from subscribers for monies paid to providers for uncovered services. Includes exceptions in cases where fraud is suspected. Exempts dental-only insurers, Medicare, and Medicare supplemental plans. Applies to contracts signed after January 1, 2010.

**ISSUES DISCUSSED:**

- Corrects disadvantages of physicians doing business in Oregon
- Texas as example of streamlined rules to attract physicians to do business in that state
- Provides structure to the overpayment process

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Health insurers make payments directly to providers of medical health care services on behalf of the patient that is insured. If there is a refund due to the insurer because of overpayment to the provider, the refund must be requested in writing within 12 months after the date the payment was made to the provider. The provider has six months after the request is received to pay the insurer the refunded amount. In addition, the insurer must, in its request for refund payment, specify the reason why it believes there is a refund due.

Currently, there are no timelines for payment of refunds due, or any timelines on when the provider has to pay the insurer the refund amount. Senate Bill 508-A establishes equivalent timelines and procedures for health insurers and providers to make refund requests and payment.