

## SENATE AMENDMENTS TO SENATE BILL 508

By COMMITTEE ON RULES

May 29

1 On page 1 of the printed bill, line 2, after the second semicolon insert “and” and after  
2 “750.333” insert a period and delete the rest of the line and line 3.

3 Delete lines 5 through 19 and insert:

4 **“SECTION 1. Sections 2 and 3 of this 2009 Act are added to and made a part of the In-**  
5 **surance Code.**

6 **“SECTION 2. (1) As used in this section, ‘refund’ means the return, either directly or**  
7 **through an offset to a future claim, of some or all of a payment already received by a health**  
8 **care provider.**

9 **“(2) Except in the case of fraud or abuse of billing, and except as provided in subsections**  
10 **(3) and (5) of this section, a health insurer may not:**

11 **“(a) Request from a health care provider a refund of a payment previously made to sat-**  
12 **isfy a claim unless the health insurer:**

13 **“(A) Requests the refund in writing within 24 months after the date the payment was**  
14 **made; and**

15 **“(B) Specifies in the written request why the health insurer believes the provider owes**  
16 **the refund.**

17 **“(b) Request that a contested refund be paid earlier than six months after the health care**  
18 **provider receives the request.**

19 **“(3) A health insurer may not do the following for reasons related to coordination of**  
20 **benefits with another health insurer or entity responsible for payment of a claim:**

21 **“(a) Request from a health care provider a refund of a payment previously made to sat-**  
22 **isfy a claim unless the health insurer:**

23 **“(A) Requests the refund in writing within 30 months after the date the payment was**  
24 **made;**

25 **“(B) Specifies in the written request why the health insurer believes the provider owes**  
26 **the refund; and**

27 **“(C) Includes in the written request the name and mailing address of the other health**  
28 **insurer or entity that has primary responsibility for payment of the claim.**

29 **“(b) Request that a contested refund be paid earlier than six months after the provider**  
30 **receives the request.**

31 **“(4) If a health care provider fails to contest a refund request in writing to the health**  
32 **insurer within 30 days after receiving the request, the request is deemed accepted and the**  
33 **provider must pay the refund within 30 days after the request is deemed accepted. If the**  
34 **provider has not paid the refund within 30 days after the request is deemed accepted, the**  
35 **health insurer may recover the amount through an offset to a future claim.**

1       “(5) A health insurer may at any time request from a health care provider a refund of  
2 a payment previously made to satisfy a claim if:

3       “(a) A third party, including a government entity, is found responsible for satisfaction  
4 of the claim as a consequence of liability imposed by law; and

5       “(b) The health insurer is unable to recover directly from the third party because the  
6 third party has already paid or will pay the provider for the health care services covered by  
7 the claim.

8       “(6) If a contract between a health insurer and a health care provider conflicts with this  
9 section, the provisions of this section prevail. However, nothing in this section prohibits a  
10 health care provider from choosing at any time to refund to a health insurer any payment  
11 previously made to satisfy a claim.

12       “(7) This section neither permits nor precludes a health insurer from recovering from a  
13 subscriber, enrollee or beneficiary any amounts paid to a health care provider for benefits  
14 to which the subscriber, enrollee or beneficiary was not entitled under the terms and condi-  
15 tions of the health plan, insurance policy or other benefit agreement.

16       “(8) This section does not apply to claims for health care services provided through  
17 dental-only health insurers, through Medicare or through Medicare supplemental plans.

18       “SECTION 3. (1) Except in the case of fraud and except as provided in subsection (2) of  
19 this section, a health care provider may not:

20       “(a) Request additional payment from a health insurer to satisfy a claim unless the pro-  
21 vider:

22       “(A) Requests the additional payment in writing within 24 months after the date the  
23 claim was denied or payment intended to satisfy the claim was made; and

24       “(B) Specifies in the written request why the provider believes the health insurer owes  
25 the additional payment.

26       “(b) Request that an additional payment be paid earlier than six months after the health  
27 insurer receives the request.

28       “(2) A health care provider may not do the following for reasons related to coordination  
29 of benefits with another health insurer or entity responsible for payment of a claim:

30       “(a) Request additional payment from a health insurer to satisfy a claim unless the pro-  
31 vider:

32       “(A) Requests the additional payment in writing within 30 months after the date the  
33 claim was denied or payment intended to satisfy the claim was made;

34       “(B) Specifies in the written request why the provider believes the health insurer owes  
35 the additional payment; and

36       “(C) Includes in the written request the name and mailing address of the other health  
37 insurer or entity that has disclaimed responsibility for payment of the claim.

38       “(b) Request that the additional payment be paid earlier than six months after the health  
39 insurer receives the request.

40       “(3) If a contract between a health insurer and a health care provider conflicts with this  
41 section, the provisions of this section prevail. However, nothing in this section prohibits a  
42 health insurer from choosing at any time to make additional payments to a health care  
43 provider to satisfy a claim.

44       “(4) This section does not apply to claims for health care services provided through  
45 dental-only health insurers, through Medicare or through Medicare supplemental plans.”.

- 1 In line 20, delete “3” and insert “4”.
- 2 In line 23, delete “section” and insert “sections”.
- 3 In line 24, after “2” insert “and 3”.
- 4 On page 2, line 22, delete “section 2” and insert “sections 2 and 3”.
- 5 On page 3, line 15, delete “4” and insert “5”.
- 6 In line 35, delete “section 2” and insert “sections 2 and 3”.
- 7 On page 4, line 11, delete “5” and insert “6”.
- 8 In line 35, delete “section 2” and insert “sections 2 and 3”.
- 9 On page 5, line 11, delete “6” and insert “7”.
- 10 In line 25, delete “section 2” and insert “sections 2 and 3”.
- 11 In line 43, delete “7” and insert “8”.
- 12 On page 6, line 14, delete “section 2” and insert “sections 2 and 3”.
- 13 In line 31, delete “8” and insert “9”.
- 14 On page 7, line 3, delete “section 2” and insert “sections 2 and 3”.
- 15 Delete lines 20 through 24 and insert:
- 16 **“SECTION 10. Sections 2 and 3 of this 2009 Act apply to contracts entered into or re-**
- 17 **newed on or after the effective date of this 2009 Act.”.**
- 18 \_\_\_\_\_