76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session MEASURE: SB 573 A CARRIER: Sen. Shields

Senate Committee on General Government, Consumer and Small Business Protection

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 3 - 2 - 0

Yeas: Bonamici, Monroe, Shields

Nays: Boquist, George

Exc.: 0

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 4/6, 4/13

WHAT THE MEASURE DOES: Prohibits health insurers from demanding refund of payment made to satisfy a claim of a health care provider unless the request is made on or before the earlier of the date specified in an applicable contract with the provider or nine months. Prohibits health insurers from requesting that a contested refund be paid later than 24 months after the provider has received a written request from the health insurer for a refund.

ISSUES DISCUSSED:

- Difficulty in tracking payments over extended periods of time
- Typical timelines for billing insurance companies for services provided

EFFECT OF COMMITTEE AMENDMENT: Changes the date by which an insurer must request a refund in writing from no later than six months to on or before the earlier of the date specified in an applicable contract with the provider or nine months. Stipulates that an insurer may not request that a contested refund be paid later than 24 months after the provider has received a written request from the health insurer for a refund.

BACKGROUND: Under current law, health insurers may request a refund of payment made to a health care provider in writing within 24 months after the date the payment was made that outlines the reasons the insurer believes that the provider owes the refund. Senate Bill 573-A reduces from 24 months to the earlier of nine months or a date specified by contract the time period in which a health insurer may request a refund from a provider.