

A-Engrossed
Senate Bill 573

Ordered by the Senate April 19
Including Senate Amendments dated April 19

Sponsored by Senator BATES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Prohibits health insurer from demanding refund of payment made to satisfy claim of health care provider *[more than six months]* **on or before earlier of date specified in contract with provider or nine months** after date of payment.

Increases, from six months after provider has received written request from health insurer to 24 months after provider has received such request, amount of time that health insurer may request contested refund to be paid.

A BILL FOR AN ACT

1
2 Relating to refunds of payments made by insurers to satisfy claims of health care providers; creating
3 new provisions; and amending ORS 743.912.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 743.912 is amended to read:

6 743.912. (1) As used in this section, "refund" means the return, either directly or through an
7 offset to a future claim, of some or all of a payment already received by a health care provider.

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

10 (a) Request from a health care provider a refund of a payment previously made to satisfy a claim
11 unless the health insurer:

12 (A) Requests the refund in writing *[within 24 months]* **on or before the earlier of the date**
13 **specified in an applicable contract with the provider or nine months** after the date the payment
14 was made; and

15 (B) Specifies in the written request why the health insurer believes the provider owes the re-
16 fund.

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

19 **(b) Request that a contested refund be paid later than 24 months after the provider has**
20 **received a written request from the health insurer for a refund.**

21 (3) A health insurer *[may not do the following]* **requesting a refund** for reasons related to co-
22 ordination of benefits with another health insurer or entity responsible for payment of a claim[:]

23 *[(a) Request from a health care provider a refund of a payment previously made to satisfy a claim*
24 *unless the health insurer:]*

25 *[(A) Requests the refund in writing within 30 months after the date the payment was made;]*

26 *[(B) Specifies in the written request why the health insurer believes the provider owes the refund;]*

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 and]

2 [(C) Includes] **must include** in the written request the name and mailing address of the other
3 health insurer or entity that has primary responsibility for payment of the claim.

4 [(b) Request that a contested refund be paid earlier than six months after the provider receives the
5 request.]

6 (4) If a health care provider fails to contest a refund request in writing to the health insurer
7 within 30 days after receiving the request, the request is deemed accepted and the provider must
8 pay the refund within 30 days after the request is deemed accepted. If the provider has not paid the
9 refund within 30 days after the request is deemed accepted, the health insurer may recover the
10 amount through an offset to a future claim.

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

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

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

17 (6) If a contract between a health insurer and a health care provider conflicts with this section,
18 the provisions of this section prevail. However, nothing in this section prohibits a health care pro-
19 vider from choosing at any time to refund to a health insurer any payment previously made to sat-
20 isfy a claim.

21 (7) This section neither permits nor precludes a health insurer from recovering from a sub-
22 scriber, enrollee or beneficiary any amounts paid to a health care provider for benefits to which the
23 subscriber, enrollee or beneficiary was not entitled under the terms and conditions of the health
24 plan, insurance policy or other benefit agreement.

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

27 **SECTION 2. The amendments to ORS 743.912 by section 1 of this 2011 Act apply to a**
28 **health insurer's request for a refund of a payment made on a health care provider's claim**
29 **that is submitted by the health care provider to the health insurer under a contract entered**
30 **into on or after the effective date of this 2011 Act.**

31