Minority Report

A-Engrossed

Senate Bill 573

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

Sponsored by nonconcurring members of the Senate Committee on General Government, Consumer and Small Business Protection: Senators BOQUIST, GEORGE

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*] **18** months after date of payment.

A BILL FOR AN ACT

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

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

SECTION 1. ORS 743.912 is amended to read:

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

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

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

(A) Requests the refund in writing [*within 24*] **no later than 18** months after the date the payment was made; and

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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