

HB 4028 STAFF MEASURE SUMMARY

House Committee On Behavioral Health

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3

WHAT THE MEASURE DOES:

The measure imposes requirements and restrictions on audit of behavioral health provider reimbursement claims by insurers and coordinated care organizations (CCOs) beginning January 1, 2027.

Detailed Summary:

Defines terms, including “audit,” “behavioral health treatment,” “claim,” “clerical error,” “fraud,” and “provider.” Requires insurers and CCOs to make a written description of claim filing requirements detailing specified information available to all providers and provide 30 days’ notice of any changes to their audit policies. The measure requires a behavioral health audit to be reviewed by a behavioral health professional and imposes other limitations on behavioral health audits, including lookback and completion timelines and prohibiting the overturning of medical necessity determinations. Imposes limitations and requirements on insurers who use sampling or similar methods in determining auditees. The measure specifies required elements of a recoupment demand resulting from an audit, including prohibiting demands that are based on clerical errors. Prohibits insurers and CCOs from structuring compensation that creates a financial incentive to identify errors in an audit. Adds specified details related to behavioral health audits to information that must be filed annually by insurers with the Department of Consumer and Business Services. Takes effect on 91st day following adjournment sine die.

Fiscal impact: *May have fiscal impact, but no statement yet issued*

Revenue impact: *May have revenue impact, but no statement yet issued*

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Health insurers and other payers audit claims to help ensure claims are processed correctly and in compliance with applicable regulations. Audits can help payment errors, overpayments, and fraud. Audits can vary in scope and can be burdensome for providers to comply with documentation and other requirements.

House Bill 4028 establishes parameters for behavioral health provider claim audits conducted by insurers and coordinated care organizations.