

AMENDMENTS TO HOUSE BILL NO. 1000

Sponsor: REPRESENTATIVE BARRAR

Printer's No. 1171

1 Amend Title, page 1, line 11, by striking out "providing,"

2 and inserting

3 providing for retroactive denial of reimbursement of
4 payments to health care providers by insurers and,

5 Amend Bill, page 2, lines 2 through 4, by striking out all of

6 said lines and inserting

7 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
8 as The Insurance Company Law of 1921, is amended by adding an
9 article to read:

10 ARTICLE VI-B

11 RETROACTIVE DENIAL OF REIMBURSEMENTS

12 § 601-B. Scope of article.

13 This article shall not apply to reimbursements made as part
14 of an annual contracted reconciliation of a risk-sharing
15 arrangement under an administrative service provider contract.

16 § 602-B. Definitions.

17 The following words and phrases when used in this article
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Code." Any of the following codes:

21 (1) The applicable Current Procedural Terminology (CPT)
22 code, as adopted by the American Medical Association.

23 (2) If for dental service, the applicable code adopted
24 by the American Dental Association.

25 (3) Another applicable code under an appropriate uniform
26 coding scheme used by an insurer in accordance with this
27 article.

28 "Coding guidelines." Those standards or procedures used or
29 applied by a payor to determine the most accurate and
30 appropriate code or codes for payment by the payor for a service
31 or services.

32 "Fraud." The intentional misrepresentation or concealment of
33 information in order to deceive or mislead.

34 "Health care provider." A person, corporation, facility,
35 institution or other entity licensed, certified or approved by
36 the Commonwealth to provide health care or professional medical
37 services. The term includes, but is not limited to, a physician,
38 chiropractor, optometrist, professional nurse, certified nurse-
39 midwife, podiatrist, hospital, nursing home, ambulatory surgical

1 center or birth center.

2 "Insurer." An entity subject to any of the following:

3 (1) 40 Pa.C.S. Ch. 61 (relating to hospital plan
4 corporations) or 63 (relating to professional health services
5 plan corporations).

6 (2) This act.

7 (3) The act of December 29, 1972 (P.L.1701, No.364),
8 known as the Health Maintenance Organization Act.

9 "Medical assistance program." The program established under
10 the act of June 13, 1967 (P.L.31, No.21), known as the Public
11 Welfare Code.

12 "Medicare." The Federal program established under Title
13 XVIII of the Social Security Act (49 Stat. 620, 42 U.S.C. § 301
14 et seq. or 1395 et seq.).

15 "Reimbursement." Payments made to a health care provider by
16 an insurer on either a fee-for-service, capitated or premium
17 basis.

18 § 603-B. Retroactive denial of reimbursement.

19 (a) General rule.--If an insurer retroactively denies
20 reimbursement to a health care provider, the insurer may only:

21 (1) retroactively deny reimbursement for services
22 subject to coordination of benefits with another insurer, the
23 medical assistance program or the Medicare program during the
24 12-month period after the date that the insurer paid the
25 health care provider; and

26 (2) except as provided in paragraph (1), retroactively
27 deny reimbursement during a 12-month period after the date
28 that the insurer paid the health care provider.

29 (b) Written notice.--An insurer that retroactively denies
30 reimbursement to a health care provider under subsection (a)
31 shall provide the health care provider with a written statement
32 specifying the basis for the retroactive denial. If the
33 retroactive denial of reimbursement results from coordination of
34 benefits, the written statement shall provide the name and
35 address of the entity acknowledging responsibility for payment
36 of the denied claim.

37 § 604-B. Effect of noncompliance.

38 Except as provided in section 605-B, an insurer that does not
39 comply with the provisions of section 603-B may not
40 retroactively deny reimbursement or attempt in any manner to
41 retroactively collect reimbursement already paid to a health
42 care provider.

43 § 605-B. Fraudulent or improperly coded information.

44 (a) Reasons for denial.--The provisions of section 603-B do
45 not apply if an insurer retroactively denies reimbursement to a
46 health care provider because:

47 (1) the information submitted to the insurer was
48 fraudulent;

49 (2) the information submitted to the insurer was
50 improperly coded and the insurer has provided to the health
51 care provider sufficient information regarding the coding
52 guidelines used by the insurer at least 30 days prior to the
53 date the services subject to the retroactive denial were
54 rendered; or

55 (3) the claim submitted to the insurer was a duplicate
56 claim.

57 (b) Improper coding.--Information submitted to the insurer
58 may be considered to be improperly coded under subsection (a)(2)
59 if the information submitted to the insurer by the health care

1 provider:

2 (1) uses codes that do not conform with the coding
3 guidelines used by the carrier applicable as of the date the
4 service or services were rendered; or

5 (2) does not otherwise conform with the contractual
6 obligations of the health care provider to the insurer
7 applicable as of the date the service or services were
8 rendered.

9 § 606-B. Coordination of benefits.

10 If an insurer retroactively denies reimbursement for services
11 as a result of coordination of benefits under provisions of
12 section 605-B(a), the health care provider shall have six months
13 from the date of the denial, unless an insurer permits a longer
14 time period, to submit a claim for reimbursement for the service
15 to the insurer, the medical assistance program or Medicare
16 program responsible for payment.

17 Section 2. The act is amended by adding a section to read:

18 Amend Sec. 2, page 2, line 15, by striking out "2" and

19 inserting

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21 Amend Sec. 3, page 2, line 27, by striking out "3" and

22 inserting

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