

SB1974



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1974

Introduced 2/26/2021, by Sen. Laura Fine

SYNOPSIS AS INTRODUCED:

215 ILCS 5/368d

Amends the Illinois Insurance Code. Provides that an insurer, health maintenance organization, independent practice association, or physician hospital organization may not attempt a recoupment or offset until all appeal rights of a health care professional or health care provider are exhausted. Provides that no recoupment or offset may be requested or withheld from future payments 6 months or more after the original payment is made (rather than 18 months or more after the original payment is made). Effective January 1, 2022.

LRB102 12035 BMS 17371 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 368d as follows:

6 (215 ILCS 5/368d)

7 Sec. 368d. Recoupments.

8 (a) A health care professional or health care provider
9 shall be provided a remittance advice, which must include an
10 explanation of a recoupment or offset taken by an insurer,
11 health maintenance organization, independent practice
12 association, or physician hospital organization, if any. The
13 recoupment explanation shall, at a minimum, include the name
14 of the patient; the date of service; the service code or if no
15 service code is available a service description; the
16 recoupment amount; and the reason for the recoupment or
17 offset. In addition, an insurer, health maintenance
18 organization, independent practice association, or physician
19 hospital organization shall provide with the remittance
20 advice, or with any demand for recoupment or offset, a
21 telephone number or mailing address to initiate an appeal of
22 the recoupment or offset together with the deadline for
23 initiating an appeal. Such information shall be prominently

1 displayed on the remittance advice or written document
2 containing the demand for recoupment or offset. Any appeal of
3 a recoupment or offset by a health care professional or health
4 care provider must be made within 60 days after receipt of the
5 remittance advice. An insurer, health maintenance
6 organization, independent practice association, or physician
7 hospital organization may not attempt a recoupment or offset
8 until all appeal rights are exhausted.

9 (b) It is not a recoupment when a health care professional
10 or health care provider is paid an amount prospectively or
11 concurrently under a contract with an insurer, health
12 maintenance organization, independent practice association, or
13 physician hospital organization that requires a retrospective
14 reconciliation based upon specific conditions outlined in the
15 contract.

16 (c) No recoupment or offset may be requested or withheld
17 from future payments 6 ~~18~~ months or more after the original
18 payment is made, except in cases in which:

19 (1) a court, government administrative agency, other
20 tribunal, or independent third-party arbitrator makes or
21 has made a formal finding of fraud or material
22 misrepresentation;

23 (2) an insurer is acting as a plan administrator for
24 the Comprehensive Health Insurance Plan under the
25 Comprehensive Health Insurance Plan Act; or

26 (3) the provider has already been paid in full by any

1 other payer, third party, or workers' compensation
2 insurer.

3 No contract between an insurer and a health care professional
4 or health care provider may provide for recoupments in
5 violation of this Section. Nothing in this Section shall be
6 construed to preclude insurers, health maintenance
7 organizations, independent practice associations, or physician
8 hospital organizations from resolving coordination of benefits
9 between or among each other, including, but not limited to,
10 resolution of workers' compensation and third-party liability
11 cases, without recouping payment from the provider beyond the
12 18-month time limit provided in this subsection (c).

13 (Source: P.A. 97-556, eff. 1-1-12.)

14 Section 99. Effective date. This Act takes effect January
15 1, 2022.