

AN ACT concerning insurance.

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

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

(215 ILCS 5/368d)

Sec. 368d. Recoupments.

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

remittance advice or written document containing the demand for recoupment or offset. Any appeal of a recoupment or offset by a health care professional or health care provider must be made within 60 days after receipt of the remittance advice.

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

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

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

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

(3) the provider has already been paid in full by any other payer, third party, or workers' compensation insurer.

No contract between an insurer and a health care professional or health care provider may provide for recoupments in

violation of this Section. Nothing in this Section shall be construed to preclude insurers, health maintenance organizations, independent practice associations, or physician hospital organizations from resolving coordination of benefits between or among each other, including, but not limited to, resolution of workers' compensation and third-party liability cases, without recouping payment from the provider beyond the 18-month time limit provided in this subsection (c).

(Source: P.A. 93-261, eff. 1-1-04.)