

Regular Session, 2014

HOUSE BILL NO. 506

BY REPRESENTATIVE GREENE

1 AN ACT

2 To enact Subpart O of Part III of Chapter 4 of Title 22 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 22:1260.31 through 1260.38, relative to health
4 insurance; to provide for certain notice requirements which must be satisfied by
5 health insurance issuers offering plans on the exchange; to provide definitions; to
6 provide for recoupment deadlines; to provide for injunctive relief and penalties; to
7 provide for rules and regulations; to provide for severability; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart O of Part III of Chapter 4 of Title 22 of the Louisiana Revised
11 Statutes of 1950, comprised of R.S. 22:1260.31 through 1260.38, is hereby enacted to read
12 as follows:

13 SUBPART O. PHYSICIAN AND PROVIDER NOTIFICATION OF PATIENTS IN

14 HEALTH INSURANCE EXCHANGE GRACE PERIOD ACT

15 §1260.31. Short title

16 This Subpart shall be known and may be cited as the "Physician and Provider
17 Notification of Patients in Health Insurance Exchange Grace Period Act".

18 §1260.32. Definitions

19 As used in this Subpart, the following words shall have the following
20 meanings, unless the context clearly indicates otherwise:

21 (1) "Enrollee" means a qualified individual or qualified employee enrolled
22 in a qualified health plan. An enrollee is generally a person eligible for services
23 covered by a specific health insurance plan in the exchange.

1 (2) "Grace period" is a period that applies to recipients of advance payments
2 of the premium tax credit allowed for certain individuals to purchase health
3 insurance coverage on the exchange. The grace period provides three consecutive
4 months for an enrollee to pay a delinquent premium when that enrollee has paid a
5 premium at least one full month during the benefit year. The grace period begins
6 when the enrollee fails to pay the premium for a particular month.

7 (3) "Health insurance exchange" or "exchange" means a governmental
8 agency or nonprofit entity that meets the applicable standards of the Patient
9 Protection and Affordable Care Act and makes qualified health plans available to
10 qualified individuals and qualified employers.

11 (4) "Qualified health plan" means a health insurance plan that has in effect
12 a certification that the qualified health plan meets applicable state or federal
13 standards required for participation in a health insurance exchange. These may
14 include minimum standards for essential health benefits, deductibles, copayments,
15 out-of-pocket maximum amounts, and other requirements.

16 (5) "Qualified health plan issuer" means a health insurance issuer that offers
17 a qualified health plan in accordance with a certification from an exchange.

18 §1260.33. Notice requirements

19 A. Timing of notice to physician or provider of grace period status.

20 (1) When a physician or other healthcare provider or his representative
21 requests information regarding an enrollee from a qualified health plan issuer about
22 eligibility, coverage, or health plan benefits, or the status of a claim or claims for
23 services provided, and the request or service is for a date within the second or third
24 month of a grace period, the qualified health plan issuer shall clearly identify that the
25 applicable enrollee is in the grace period and provide additional information as
26 required by this Subpart.

27 (2) Unless the qualified health plan issuer makes the notice available on its
28 website or by other electronic means, the qualified health plan issuer shall provide
29 the notice through the same medium through which the physician or other healthcare

1 provider or his representative sought the information from the qualified health plan
2 issuer pursuant to Paragraph (1) of this Subsection.

3 (3) The information provided about the enrollee's grace period status shall
4 be binding on the qualified health plan pursuant to this Subpart.

5 B. Specific notice requirements.

6 (1) If the qualified health plan issuer informs the physician or other
7 healthcare provider or his representative that the enrollee is eligible for services but
8 not that the enrollee is in the grace period, the determination shall be binding on the
9 qualified health plan issuer and it shall pay the claims for covered services in
10 accordance with the qualified health plan.

11 (2) The binding determination shall preclude the qualified health plan issuer
12 from seeking to recoup payment from the physician or other healthcare provider for
13 services rendered during the grace period.

14 (3) If the qualified health plan issuer informs the physician or other
15 healthcare provider that the enrollee is in a grace period, he shall then provide further
16 notification pursuant to Subsection C of this Section.

17 C. Contents of notice. The notice to the physician or other healthcare
18 provider shall include but not be limited to the following:

19 (1) Purpose of the notice.

20 (2) The full legal name of the enrollee and any unique identifying numbers.

21 (3) The name of the qualified health plan.

22 (4) The unique health plan identifier of the qualified health plan.

23 (5) The name of the qualified health plan issuer.

24 (6) The specific date upon which the grace period for the enrollee began and
25 the specific date upon which the grace period will expire.

26 D. In a conspicuous location on a qualified health plan website, the qualified
27 health plan issuer shall provide the following information:

28 (1) Whether the qualified health plan issuer will hold any claims of the
29 physician or other healthcare provider for services that the physician or other
30 healthcare provider furnishes to the enrollee during the grace period.

1 (2) A statement indicating that should the qualified health plan issuer
2 indicate that it will pay some or all of the claims for services provided to an enrollee
3 during the grace period, whether and how it will seek to recoup claims payments
4 made to physicians or healthcare providers for services furnished during the grace
5 period.

6 §1260.34. Strict compliance required

7 A qualified health plan issuer shall be obligated to pay for any covered claims
8 for services rendered during a grace period if he has failed to strictly comply with the
9 provisions of this Subpart. Such payment shall be in accordance with the terms of
10 the qualified health plan.

11 §1260.35. Deadline for overpayment recoveries

12 If the qualified health plan issuer seeks to recoup or otherwise recover
13 payments made to the physician or other healthcare provider for services furnished
14 to an enrollee during the grace period and that enrollee's coverage is subsequently
15 cancelled for nonpayment of premium, the qualified health plan issuer shall
16 commence such recovery or recoupment efforts no later than sixty days after the
17 expiration of the grace period. Any attempts to recover payments that are
18 commenced subsequent to this sixty-day period shall be null and void.

19 §1260.36. Waiver prohibited

20 The provisions of this Subpart cannot be waived by contract. Any
21 contractual arrangements in conflict with the provisions of this Subpart or that
22 purport to waive any requirements of this Subpart are null and void.

23 §1260.37. Injunction and penalties

24 Any physician or other healthcare provider may request a court of appropriate
25 jurisdiction to issue an injunction to enforce any provision of this Subpart.

26 §1260.38. Rules and regulations

27 The commissioner of insurance shall promulgate all rules and regulations
28 which are necessary and proper to carry out the provisions of this Subpart. All rules
29 and regulations promulgated pursuant to this Subpart shall be in accordance with the
30 Administrative Procedure Act.

1 Section 2. If any provision of this Act or the application thereof is held invalid, such
2 invalidity shall not affect other provisions or applications of this Act which can be given
3 effect without the invalid provisions or applications, and to this end the provisions of this
4 Act are hereby declared severable. The severability provision of this Section shall be
5 broadly construed as to give effect to each and every possible provision or application of this
6 Act which is not specifically held invalid, unlawful, or unconstitutional.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____