

# ACT No. 293

2025 Regular Session

HOUSE BILL NO. 565

BY REPRESENTATIVE SPELL

## AN ACT

To enact R.S. 46:460.71(E) and 460.76.3, relative to the state medical assistance program; to provide for claim payment information; to provide for third-party liability; to require notification; to provide penalties; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 46:460.71(E) and 460.76.3 are hereby enacted to read as follows:

§460.71. Claim payment information

\* \* \*

E. Unless the secretary of the department promulgates a rule in accordance with this Subsection, a managed care organization shall be strictly prohibited from amending, modifying, or changing in any manner a claim submitted by a healthcare provider or adjusting, down-coding, or paying a claim at a lower level of service than what was submitted by the healthcare provider. However, this Section shall not prohibit a managed care organization from conducting required post-payment reviews and audits, and taking action as a result of such reviews and audits. Any violation of the provisions of this Subsection shall result in the department withholding from payment to the managed care organization an amount to be determined by the department not less than twenty-five thousand dollars or greater for each violation of this Section. The department may promulgate rules in accordance with the Administrative Procedure Act that authorize a statewide policy for managed care organizations to adjudicate payment of claims in a manner that would otherwise violate the provisions of this Section. Such rule shall become

1 effective only upon the approval of the Senate Committee on Health and Welfare and  
2 the House Committee on Health and Welfare, meeting separately or jointly.

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4 §460.76.3. Claim information; third-party liability

5 A. The department shall provide all known information about any health  
6 insurer or other third party that is legally liable for payment of all or part of a claim  
7 for healthcare services furnished under the Medicaid state plan to an enrollee on the  
8 Medicaid Eligibility Verification System.

9 B.(1) A managed care organization shall provide notification to the  
10 department no later than two business days from the date the managed care  
11 organization verifies or has knowledge of the existence of any health insurer or other  
12 third party that is legally liable for payment of all or part of a claim for healthcare  
13 services furnished under the Medicaid state plan to an enrollee when the health  
14 insurer or other liable third party is not reflected on the Medicaid Eligibility  
15 Verification System. The notification shall include, at minimum, all of the following  
16 information about the health insurer or other liable third party:

17 (a) The name, address, and phone number of the health insurer or other liable  
18 third party.

19 (b) The policyholder information, including the policyholder name, policy  
20 number, and group number.

21 (c) The scope of coverage, if the scope of coverage is limited.

22 (d) The effective date of coverage.

23 (e) Any other information required by the department.

24 (2) The department may promulgate rules or may include requirements in the  
25 Medicaid managed care organization manual as necessary for the implementation of  
26 this Section.

27 (3) The department shall cause the information contained in the notification  
28 to be reflected in the Medicaid Eligibility Verification System no later than three  
29 business days from receiving a notice pursuant to this Subsection.

1           C. A managed care organization shall not deny, pend, reject, or recoup a  
2           claim solely on the basis of the existence of a liable third party or primary coverage  
3           that is through other health insurance unless all of the following information related  
4           to the other health insurance is available on the Medicaid Eligibility Verification  
5           system that is maintained by the department:

6           (1) The name, address, and phone number of the liable third party or health  
7           insurance issuer.

8           (2) The policyholder information, including the policyholder name, policy  
9           number, and group number.

10          (3) The effective date of coverage by the liable third party or health  
11          insurance issuer and the scope of coverage of the liable third party or health  
12          insurance issuer, if the scope of coverage is limited.

13          D. A managed care organization shall provide written or electronic  
14          notification to a provider no later than five business days after the managed care  
15          organization receives payment from a liable third party for healthcare services  
16          rendered by the healthcare provider. Such notice shall include the following:

17          (1) A copy of the explanation of benefits provided to the managed care  
18          organization as result of payment being made to the managed care organization for  
19          the healthcare services rendered by the healthcare provider.

20          (2) The name, address, and phone number of the health insurer or other liable  
21          third party.

22          (3) The policyholder information, including the policyholder name, policy  
23          number, and group number.

24          (4) The effective date of coverage.

25          (5) The scope of coverage, if the scope of coverage is limited.

26          E. The department shall withhold payment to the managed care organization  
27          in an amount to be determined by the department not less than twenty-five thousand  
28          dollars or greater for each violation of the provisions of this Section by a managed  
29          care organization. However, upon a finding by the department that the managed care  
30          organization has committed multiple violations of this Section or has engaged in a

1           pattern of violations, the minimum amount shall be at least one hundred thousand  
2           dollars.

3           Section 2.(A) This Act shall become effective upon signature by the governor or, if  
4           not signed by the governor, upon expiration of the time for bills to become law without  
5           signature by the governor, as provided by Article III, Section 18 of the Constitution of  
6           Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act  
7           shall become effective on the day following such approval.

8           (B) Implementation of the provisions of R.S. 46:460.76.3 as enacted by Section 1 of  
9           this Act shall begin on August 1, 2025.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_