SLS 14RS-627 **ORIGINAL**

Regular Session, 2014

SENATE BILL NO. 490

BY SENATOR HEITMEIER

HEALTH/ACC INSURANCE. Provides relative to balance billing by and reimbursement of noncontracted facility-based physicians for covered health care services rendered in an in-network health care facility. (8/1/14)

AN ACT

To enact R.S. 22:1882, relative to noncontracted facility-based physicians providing covered health care services rendered in an in-network health care facility; to provide with respect to reimbursement of such physicians by health insurance issuers; to provide relative to balance billing by such physicians; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1882 is hereby enacted to read as follows:

§1882. Payment of claims for covered health care services provided by noncontracted facility-based physicians in in-network health care facilities; balance billing

A. For purposes of this Section, "noncontracted facility-based physician" means a physician licensed to practice medicine who is required by a base health care facility to provide services in the base health care facility, including an anesthesiologist, hospitalist, intensivist, neonatologist, pathologist, or radiologist, that does not contract with a health insurance issuer.

B.(1) A health insurance issuer shall directly pay a claim by a noncontracted facility-based physician for covered health care services

rendered to a patient, enrollee, or insured in an in-network health care facility and shall reimburse him in an amount not less than the greatest of one of the following:

(a)(i) The amount negotiated with contracted facility-based physicians for covered health care services that are imposed with respect to the enrollee or insured, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

(ii) If there is more than one amount negotiated with contracted providers for covered health care services, the amount shall be the median of those amounts.

(iii) If a health insurance issuer has more than one negotiated amount for contracted facility-based physicians for a particular covered health care service, this amount shall be the median of those negotiated amounts. In determining such median, the amount negotiated with each in-network provider shall be treated as a separate amount regardless of whether the same amount is paid to more than one provider.

(iv) This Subparagraph shall not apply to capitated or other health insurance issuers that do not have a negotiated per-service amount for contracted facility-based physicians.

(b) The amount calculated for the covered health care services using the same method that the health insurance issuer generally uses to determine payments for out-of-network health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. The amount specified in this Paragraph shall be determined without regard for out-of-network cost sharing that generally applies under the policy or subscriber agreement with respect to out-of-network services.

(c) The amount that would be paid under Medicare for the covered health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

(2) Payment of such claim by a health insurance issuer shall in no circumstance be made directly to a patient, enrollee, or insured.

C.(1) A health insurance issuer shall be liable for reimbursement to a noncontracted facility-based physician for covered health care services, except for any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

(2) A patient, enrollee, or insured shall be indemnified and held harmless by a health insurance issuer for payment of a claim for covered health care services, except for any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

(3) A noncontracted facility-based physician shall be prohibited from billing a patient, enrollee, or insured for reimbursement for covered health care services, except for any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Heitmeier (SB 490)

Present law, the Health Care Consumer Billing and Disclosure Act, defines a "base health care facility" as a facility or institution providing health care services that has entered into a contract, agreement, or other arrangement with a facility-based physician. Specifies that pursuant to such arrangement, the facility-based physician agrees to provide required health care services to those patients, enrollees, or insureds of the health insurance issuer presenting at such facility, within the scope of the physician's respective specialty. Also defines a "health insurance issuer" as any entity that offers health insurance coverage through a policy or certificate of insurance subject to state law that regulates the business of insurance. Specifies that a health insurance issuer shall include a health maintenance organization, certain nonfederal government plans, and the office of group benefits.

Proposed law additionally defines a "noncontracted facility-based physician" as a physician who is required by a base healthcare facility to provide services in the base health care

facility, including an anesthesiologist, hospitalist, intensivist, neonatologist, pathologist, or radiologist, that does not contract with a health insurance issuer.

Proposed law provides with respect to reimbursement of noncontracted facility-based physicians for covered health care services rendered in an in-network health care facility as follows:

(1) Requires a health insurance issuer to pay a claim directly by a noncontracted facility-based physician for covered health care services rendered to a patient, enrollee, or insured in an in-network health care facility and to reimburse him in an amount not less than the greatest of the following:

(a) The amount negotiated with contracted facility-based physicians for covered health care services that are imposed with respect to the enrollee or insured, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Further provides that if there is more than one amount negotiated with contracted providers for covered health care services, the amount shall be the median of those amounts. Additionally provides that if a health insurance issuer has more than one negotiated amount for contracted facility-based physicians for a particular covered health care service, the amount shall be the median of those negotiated amounts. Provides that, in determining such median, the amount negotiated with each in-network provider shall be treated as a separate amount regardless of whether the same amount is paid to more than one provider. Also specifies that for capitated or other health insurance issuers that do not have a negotiated per-service amount for contracted facility-based physicians, these provisions shall not apply.

(b) The amount calculated for the covered health care services using the same method that the health insurance issuer generally uses to determine payments for out-of-network health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Specifies that this amount shall be determined without regard for out-of-network cost sharing that generally applies under the policy or subscriber agreement with respect to out-of-network services.

(c) The amount that would be paid under Medicare for the covered health care services, excluding any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services.

(2) Provides that payment of such a claim by a health insurance issuer shall in no circumstance be made directly to a patient, enrollee, or insured.

(3) Provides that a health insurance issuer shall be liable for reimbursement to a noncontracted facility-based physician for covered health care services, except for any applicable in-network coinsurance, in-network copayments, deductibles, or noncovered services. Further provides that a patient, enrollee, or insured shall be indemnified and held harmless by a health insurance issuer for payment of a claim for covered health care services, except for such amounts. Prohibits a noncontracted facility-based physician from billing a patient, enrollee, or insured for reimbursement for covered health care services, except for such amounts.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1882)