

2018 Regular Session

HOUSE BILL NO. 556

BY REPRESENTATIVE TALBOT

INSURANCE/HEALTH: Provides relative to out-of-network balance billing

1 AN ACT

2 To amend and reenact R.S. 22:1875 and 1880(B)(1) and (D) and to enact R.S. 22:1880.1,  
3 relative to out-of-network balance billing; to define key terms; to provide for  
4 reimbursement rates; to prohibit balance billing for emergency services; to require  
5 balance billing disclosures; to provide for mediation; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1875 and 1880(B)(1) and (D) are hereby amended and reenacted  
9 and R.S. 22:1880.1 is hereby enacted to read as follows:

10 §1875. Billing by noncontracted facility-based ~~physicians~~ providers providing  
11 services in a base ~~health care~~ healthcare facility

12 ~~If a facility-based physician who is a noncontracted health care provider~~  
13 ~~provides health care services in a base health care facility to an enrollee or insured~~  
14 ~~and files a claim with a health insurance issuer for such facility-based services, the~~  
15 ~~health insurance issuer shall provide the facility-based physician with an explanation~~  
16 ~~of benefits as to any payment determination thereof. Nothing contained in this~~  
17 ~~Subpart shall supercede the provisions of R.S. 22:263(D).~~

18 A. For purposes of this Section, "facility-based provider" means a provider  
19 who provides healthcare services to patients who are in an in-patient or ambulatory  
20 facility, including services such as pathology, anesthesiology, emergency room care,

1 radiology, or other services provided in an in-patient or ambulatory facility setting.  
2 These healthcare services are typically arranged by the facility by contract or  
3 agreement with the facility-based provider as part of the facility's general business  
4 operations, and a covered person or the covered person's health benefit plan  
5 generally does not specifically select or have a choice of providers from which to  
6 receive the services within the facility.

7 B.(1) A health insurance issuer shall remit a reasonable reimbursement for  
8 covered healthcare services provided by a noncontracted facility-based provider  
9 within a contracted healthcare facility.

10 (2) In the absence of an agreed to reimbursement amount between the  
11 facility-based noncontracted healthcare provider and the health insurance issuer,  
12 reimbursement determined using the benchmark calculation of Subsection C of this  
13 Section shall be presumed to be a reasonable reimbursement amount.

14 (3) Nothing in this Section shall be construed to require a health insurance  
15 issuer to make any direct payment to a healthcare provider.

16 (4) Noncontracted facility-based providers who object to any payment made  
17 pursuant to this Subsection may request a mediation of the settlement of the claim  
18 pursuant to R.S. 22:1880.1.

19 C. The benchmark amount shall be calculated as the lesser of the following:

20 (1) One hundred percent of the current Medicare payment rate for the same  
21 or similar services in the same or similar geographic area.

22 (2) The healthcare provider's actual charges.

23 (3) The median rate paid for services rendered by a contracted provider for  
24 the same or similar services in the same or similar geographic area.

25 D. Payment of a reasonable reimbursement amount either individually or  
26 collectively by the health insurance issuer and the covered person shall have the  
27 effect of prohibiting the provider from collecting any additional amount for the  
28 healthcare services rendered.



1 TO APPLICABLE AMOUNTS DUE FOR CO-PAYMENTS,  
 2 COINSURANCE, DEDUCTIBLES, AND NON-COVERED SERVICES.  
 3 SPECIFIC INFORMATION ABOUT IN-NETWORK AND OUT-OF-  
 4 NETWORK FACILITY-BASED ~~PHYSICIANS~~ PROVIDERS CAN BE  
 5 FOUND AT THE WEBSITE ADDRESS OF YOUR HEALTH PLAN OR  
 6 BY CALLING THE CUSTOMER SERVICE TELEPHONE NUMBER OF  
 7 YOUR HEALTH PLAN".

8 \* \* \*

9 D. Facility-based ~~physicians~~ providers disclosure requirements. Whenever  
 10 a facility-based ~~physicians~~ provider bills a patient who has health insurance coverage  
 11 issued by a health insurance issuer that does not have a contract with the facility-  
 12 based physician, the facility-based ~~physicians~~ provider shall send a bill that includes  
 13 all of the following items:

14 (1) When the bill is for nonemergency services:

15 ~~(1)~~ (a) An itemized listing of the services and supplies provided by the  
 16 facility-based ~~physicians~~ provider along with the dates ~~such~~ the services and supplies  
 17 were provided.

18 ~~(2)~~ (b) The amount that is owed by the enrollee or insured and the following  
 19 language conspicuously displayed on the front of ~~such~~ the bill:

20 "NOTICE: THIS IS A BILL. ~~BASED UPON INFORMATION FROM~~  
 21 ~~YOUR HEALTH PLAN, YOU OWE THE AMOUNT SHOWN~~  
 22 AT THIS TIME, YOU ARE RESPONSIBLE FOR PAYING YOUR  
 23 APPLICABLE COST-SHARING OBLIGATION, INCLUDING  
 24 COPAYMENT, COINSURANCE, OR DEDUCTIBLE AMOUNT, JUST AS  
 25 YOU WOULD BE IF THE PROVIDER IS WITHIN YOUR HEALTH  
 26 PLAN'S NETWORK. WITH REGARD TO THE REMAINING BALANCE,  
 27 YOU HAVE TWO CHOICES: 1) YOU MAY CHOOSE TO PAY THE  
 28 BALANCE OF THE BILL OR 2) IF THE DIFFERENCE IN THE BILLED  
 29 CHARGE AND THE PLAN'S ALLOWABLE AMOUNT IS MORE THAN

1 FIVE HUNDRED DOLLARS, YOU MAY SEND THE BILL TO YOUR  
2 HEALTH PLAN FOR PROCESSING PURSUANT TO THE HEALTH  
3 INSURER’S NONCONTRACTED FACILITY-BASED PROVIDER  
4 BILLING PROCESS OR THE PROVIDER MEDIATION PROCESS  
5 REQUIRED BY R.S. 22:1880.1".

6 ~~(3)~~ (c) A telephone number to call to discuss the statement.

7 (2) When the bill is for emergency services:

8 (a) An itemized listing of the services and supplies provided by the  
9 facility-based provider along with the dates such services and supplies were  
10 provided.

11 (b) The amount that is owed by the enrollee or insured and the following  
12 language conspicuously displayed on the front of such bill:

13 "NOTICE: THIS IS A BILL. BASED UPON INFORMATION FROM  
14 YOUR HEALTH PLAN, YOU OWE THE AMOUNT SHOWN, WHICH IS  
15 YOUR APPLICABLE IN-NETWORK COST SHARING AMOUNT. YOU  
16 HAVE NO LEGAL OBLIGATION TO PAY THE REMAINING  
17 BALANCE ABOVE YOUR APPLICABLE IN-NETWORK COST  
18 SHARING AMOUNT".

19 (c) A telephone number to call to discuss the statement.

20 \* \* \*  
21 §1880.1 Balance billing; provider mediation

22 A.(1) Health insurance issuers shall establish a provider mediation process  
23 for payment of noncontracted facility-based provider bills for providers objecting to  
24 the application of the established payment rate provided for in R.S. 22:1875.

25 (2) The provider mediation process shall be established in accordance with  
26 one of the following recognized mediation standards:

27 (a) The Uniform Mediation Act.

28 (b) Mediation.org, a division of the American Arbitration Association.

29 (c) The Association for Conflict Resolution.



Proposed law establishes a reasonable reimbursement rate for a noncontracted facility-based provider providing healthcare services in a base healthcare facility and provides that payment of a reasonable reimbursement amount either individually or collectively by the health insurance issuer and the covered person has the effect of prohibiting the provider from collecting any additional amount for the healthcare services rendered.

Proposed law requires health insurance issuers to implement a provider mediation process for payment of noncontracted facility-based provider bills for providers objecting to the application of the established payment rate and sets forth minimum requirements for the mediation process.

(Amends R.S. 22:1875, 1880(B)(1) and (D); Adds R.S. 22:1880.1)