

2018 Regular Session

HOUSE BILL NO. 775

BY REPRESENTATIVE DAVIS

INSURANCE/HEALTH: Provides relative to the reimbursement of healthcare providers

1 AN ACT

2 To amend and reenact R.S. 22:1874(A)(5), relative to the reimbursement of contracted  
3 healthcare providers; to provide for payment to a new provider in a contracted  
4 network of providers; to provide for recovery of certain amounts upon denial of an  
5 application for credentialing; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1874(A)(5) is hereby amended and reenacted to read as follows:

8 §1874. Billing by contracted ~~health care~~ healthcare providers

9 A.

10 \* \* \*

11 (5)(a) Under certain circumstances and when the provisions of Subparagraph  
12 (b) of this Paragraph are met, a health insurance issuer contracting with a group of  
13 ~~physicians~~ healthcare providers that bills a health insurance issuer utilizing a group  
14 identification number, such as the group federal tax identification number or the  
15 group National Provider Identifier as set forth in 45 CFR162.402 et seq., shall pay  
16 the contracted reimbursement rate of the ~~physician~~ provider group for covered ~~health~~  
17 ~~care~~ healthcare services rendered by a new ~~physician~~ provider to the group, without  
18 ~~health care~~ healthcare provider credentialing as described in R.S. 22:1009. This  
19 provision shall apply in either of the following circumstances:

1 (i) When the new ~~physician~~ provider has already been credentialed by the  
2 health insurance issuer and the ~~physician~~ provider's credentialing is still active with  
3 the issuer.

4 (ii) When the health insurance issuer has received the required credentialing  
5 application and information, including proof of active hospital privileges, from the  
6 new ~~physician~~ provider and the issuer has not notified the ~~physician~~ provider group  
7 that credentialing of the new ~~physician~~ provider has been denied.

8 (b) A health insurance issuer shall comply with the provisions of  
9 Subparagraph (a) of this Paragraph no later than thirty days after receipt of a written  
10 request from the ~~physician~~ provider group. The written request shall include a  
11 statement that the ~~physician~~ provider group agrees that all contract provisions,  
12 including the provision holding covered persons harmless for charges beyond  
13 reimbursement by the issuer and deductible, coinsurance and copayments, apply to  
14 the new ~~physician~~ provider. Such compliance shall apply to any claims for covered  
15 services rendered by the new ~~physician~~ provider to covered persons on dates of  
16 service no earlier than the date of the written request from the ~~physician~~ provider  
17 group.

18 (c) Compliance by a health insurance issuer with the provisions of  
19 Subparagraph (a) of this Paragraph shall not be construed to mean that a ~~physician~~  
20 provider has been credentialed by an issuer or that the issuer is required to list the  
21 ~~physician~~ provider in a directory of contracted ~~physicians~~ healthcare providers.

22 (d) If, upon compliance with Subparagraph (a) of this Paragraph, a health  
23 insurance issuer completes the credentialing process on the new ~~physician~~ provider  
24 and determines that the ~~physician~~ provider does not meet the issuer's credentialing  
25 requirements, the following actions shall be permitted:

26 (i) The health insurance issuer may recover from the ~~physician~~ provider or  
27 the ~~physician~~ provider group an amount equal to the difference between appropriate  
28 payments for in-network benefits and out-of-network benefits ~~provided that~~ if the  
29 health insurance issuer has notified the applicant ~~physician~~ provider of the adverse

1 determination and ~~provided that the health insurance issuer~~ has initiated action  
2 regarding ~~such~~ the recovery within thirty days of the adverse determination.

3 (ii) The ~~physician provider~~ or the ~~physician provider~~ group may retain any  
4 deductible, coinsurance, or copayment collected or in the process of being collected  
5 as of the date of receipt of the issuer's determination, so long as the amount is not in  
6 excess of the amount owed by the insured or enrollee for out-of-network services.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 775 Original

2018 Regular Session

Davis

**Abstract:** Provides for payment by a health insurance issuer to a new provider in a contracted network of healthcare providers and authorizes recovery of certain amounts upon denial of an application for credentialing.

Present law provides for the billing by and reimbursement of healthcare providers contracted with a health insurance issuer.

Proposed law retains present law.

Present law requires a health insurance issuer contracting with a group of physicians that bills the health insurance issuer using a group identification number to pay the contracted reimbursement rate of the physician group for covered healthcare services rendered by a new physician to the group, without healthcare provider credentialing, in either of the following circumstances:

- (1) When the new physician has already been credentialed by the health insurance issuer and the physician's credentialing is still active with the issuer.
- (2) When the health insurance issuer has received the required credentialing application and information, including proof of active hospital privileges, from the new physician and the issuer has not notified the physician group that credentialing of the new physician has been denied.

Proposed law retains present law but expands the applicability to healthcare providers.

Present law requires a health insurance issuer to comply with present law no later than 30 days after receipt of a written request from the physician group that includes a statement that the physician group agrees that all contract provisions apply to the new physician for any claims for covered services rendered by the new physician to covered persons on dates of service no earlier than the date of the written request from the physician group.

Proposed law retains present law but expands the applicability to healthcare providers.

Present law provides that compliance by a health insurance issuer shall not be construed to mean that a physician has been credentialed by an issuer or that the issuer is required to list the physician in a directory of contracted physicians.

Proposed law retains present law but expands the applicability to healthcare providers.

Present law authorizes a health insurance issuer, if the insurer completes the credentialing process on a new physician and determines that the physician does not meet the issuer's credentialing requirements, to recover from the physician or the physician group an amount equal to the difference between appropriate payments for in-network benefits and out-of-network benefits if the health insurance issuer has notified the applicant physician of the adverse determination and initiated the recovery within 30 days of the adverse determination.

Proposed law retains present law but expands the applicability to healthcare providers.

Proposed law authorizes the physician or the physician group to retain any deductible, coinsurance, or copayment collected or in the process of being collected as of the date of receipt of the issuer's determination, so long as the amount is not in excess of the amount owed by the insured or enrollee for out-of-network services.

Proposed law retains present law but expands the applicability to healthcare providers.

(Amends R.S. 22:1874(A)(5))