

Spell

Synopsis of Senate Amendments

Eligibility Verification System.

Proposed law requires a managed organization to provide notification to LDH no later than two business days from the date the managed care organization verifies or has knowledge of the existence of any health insurer or other third party that is legally liable for payment of all or part of a claim for healthcare services furnish under the Medicaid state plan to an enrollee when the health insurer or other liable third party is not reflected on the Medicaid Eligibility Verification System.

Proposed law requires the notification to include, at a minimum, the following information about the other health insurance:

- (1) The name, address, and phone number of the health insurer or other liable third party.
- (2) The policyholder information, including the policyholder name, policy number, and group number.
- (3) The scope of coverage of the liable third party, if the scope of coverage is limited.
- (4) The effective date of coverage.
- (5) Any other information required by the department.

Proposed law allows LDH to promulgate, by rule or inclusion, any additional requirements in the managed care organization manual as are necessary for the implementation of proposed law.

Proposed law requires the department to cause the information contained in the notification to be reflected in the Medicaid Eligibility Verification System no later than three business days from receiving notice.

Proposed law prohibits a managed care organization from denying, pending, rejecting, or recouping a claim solely on the basis of the existence of a liable third party or primary coverage that is through other health insurance, unless all of the following information related to the other health insurance is available on the Medicaid Eligibility Verification System maintained by LDH:

- (1) The name, address, and phone number of the health insurer or other liable third party.
- (2) The policyholder information, including the policyholder name, policy number, and group number.
- (3) The effective date of coverage by the liable third party or health insurance issuer and the scope of coverage of the liable third party or health insurance issuer, if the scope of coverage is limited.

Proposed law requires a managed care organization to provide written or electronic notification to a provider no later than five business days after the managed care organization receives payment from a liable third party for healthcare services rendered by the healthcare provider. Proposed law provides that the notice shall include the following:

- (1) A copy of the explanation of benefits provided to the managed care organization as result of payment being made to the managed care organization for the healthcare services rendered by the healthcare provider.
- (2) The name, address, and phone number of the health insurer or other liable third party.
- (3) The policyholder information, including the policyholder name, policy number, and group number.

- (4) The effective date of coverage.
- (5) The scope of coverage, if the scope of coverage is limited.

Proposed law requires LDH to withhold payment to the managed care organization in an amount to be determined by LDH.

Proposed law provides that the determined amount by LDH shall not be less than \$25,000 for each violation of proposed law. Proposed law further provides that if LDH has determined that the managed care organization has committed multiple violations or engages in a pattern of violations, the minimum amount for each violation shall be at least \$100,000.

Proposed law provides that implementation of the third-party liability provisions will begin on Aug. 1, 2025.

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

(Adds R.S. 46:460.71(E) and 460.76.3)