

2025 Regular Session

HOUSE BILL NO. 565

BY REPRESENTATIVE SPELL

1 AN ACT

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

6 Be it enacted by the Legislature of Louisiana:

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

8 §460.71. Claim payment information

9 * * *

10 E. Unless the secretary of the department promulgates a rule in accordance
11 with this Subsection, a managed care organization shall be strictly prohibited from
12 amending, modifying, or changing in any manner a claim submitted by a healthcare
13 provider or adjusting, down-coding, or paying a claim at a lower level of service than
14 what was submitted by the healthcare provider. However, this Section shall not
15 prohibit a managed care organization from conducting required post-payment
16 reviews and audits, and taking action as a result of such reviews and audits. Any
17 violation of the provisions of this Subsection shall result in the department
18 withholding from payment to the managed care organization an amount to be
19 determined by the department not less than twenty-five thousand dollars or greater
20 for each violation of this Section. The department may promulgate rules in
21 accordance with the Administrative Procedure Act that authorize a statewide policy
22 for managed care organizations to adjudicate payment of claims in a manner that
23 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.

3 * * *

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.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____